

ANNUAL REPORT 2016/2017



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Volume I

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD



Cnr. B.M. Baloyi
Executive Mayor

MIDVAAL LOCAL MUNICIPALITY “VISION” STATEMENT

“TO INCLUSIVELY SERVE THE NEEDS OF OUR COMMUNITIES”

The commitment to work for the success of our municipality is shared by ordinary residents in Midvaal. Being inclusive means that we must give dignity to our people who live in poor communities. Midvaal cannot claim to be inclusive while its poor residents live in darkness. We mean business when we talk about improving people’s lives. Our approach is a holistic one. Not only do we want our people to have water, sanitation and electricity; we want them to live in communities that have tarred roads.

The municipality has performed considerably well over the last administrative period, winning the title of Gauteng’s top performing municipality in 2015 and achieving a clean audit for three consecutive years. This achievement was cemented by an international certificate for *“Excellence in Investment and Innovation”* at the *Excellence in Quality* conference in Lucerne, Switzerland(2017) and 2 *Professional Review Management (PRM)* awards (2017) for outstanding innovation and excellence in governance.

As a municipality, we are determined to ensure that we continue to deliver above and beyond what is expected of us and overcome the challenges that are placed before us. Strong emphasis has been placed on delivering services to those who are most in need, without neglecting those within well-established areas.

MIDVAAL LOCAL MUNICIPALITY “MISSION” STATEMENT

In realising the vision of the municipality, a systematic approach in the form of a mission statement has been prepared. The mission statement has included our principles, elements that spoke to a new and competitive approach, and the six promises that were made to the community. Our mission is thus:

We strive daily to enrich the lives of our people by:

- Adopting a mind-set of innovation to revolutionise the way we operate.
- Leveraging partnerships to realise our full potential.
- Driving sustainability within the local ecosystem.
- Growing the economy in Midvaal, premised on incubating entrepreneurship, socio-economic growth and environmental responsibility.
- Providing excellent and standardised service delivery for all.
- Prioritising the upliftment of our youth.
- Being an ethical and proactive local municipality.
- Elevating Midvaal to be the best and most attractive municipality in the country.

VALUES

In realising the vision and mission of the municipality, it is prudent to identify values that will guide operations both internally and externally. These values adopt a customer-centric approach, and include a commitment to:

- Being Ethical
- Accessibility
- Collaboration
- Innovation
- Sustainability
- Excellence

THEME

The municipality will be driving the theme “*Rise of the Vaal*” within this political term of office. The meaning of the theme is that Midvaal will position itself as the epitome of development within the Vaal region. It means the municipality should take centre stage and be a catalyst for the re-development of the Vaal, which should result in economic growth and investment.

POLITICAL VISION FOR MIDVAAL

When we stood for election, we made promises to our communities. We knew very well that once we were in government, we would be a government of all people, irrespective of their political affiliations. Therefore, at the core of our promises was the commitment to remain an open, honest, transparent and responsive government, relevant to everyone.

This political vision is derived from the six electoral promises I made to the Midvaal community and committed to fulfil if I became the Executive Mayor once more. They can be defined as follows:

- **Promise 1: To be Youth Biased**
To prioritise uplifting the youth through the creation of productive activities in an enabling environment, empowering them to participate and contribute towards the success of Midvaal.
- **Promise 2: Be an open, transparent, honest and responsive government**
To be a trustworthy municipality that responds with efficiency and integrity and in the best interests of our people.
- **Promise 3: Grow the economy**
To incubate an enabling business environment, which fosters job creation and is supportive of key sectors, in order to address inequality and improve standards of living.
- **Promise 4: Quality & standardised service delivery**
Excellent service delivery for more people, with greater inclusiveness, delivered through improved efficiency and innovation.
- **Promise 5: Safe communities and environment**
To create an environment safe from crime and which is proactive with respect to disasters.
- **Promise 6: Fight the demarcation board**
To continue the fight to ensure that Midvaal remains an independent and thriving municipality for the people.

MIDVAAL'S KEY PERFORMANCE AREAS

In fulfilling promises made, the municipality has introduced a Performance Framework which comprises of Key Performance Areas (KPAs) which are the areas required for the municipality to focus on in order to achieve its strategic objectives. The KPA should be aligned to the Promises made as part of the political vision. The municipality has identified 8 (eight) KPAs which are further broken down into Focus Areas and Key Performance Indicators (KPIs) achieved at the project or programme implementation level.



KPA 1: Good Governance & Public Participation: To promote increased participation and improved communication with all key internal and external stakeholders.



KPA 2: Safety & Environment: To create a sustainable environment safe from harm.



KPA 3: Social & Community Development: To create an environment focussed on uplifting the youth, the poor and the most vulnerable.



KPA 4: Institutional Transformation: To transform and align the people, processes and systems of the municipality to achieve its objectives.



KPA 5: Financial Sustainability: To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements.



KPA 6: Physical Infrastructure & Energy Efficiency: To ensure efficient infrastructure and energy supply that will improve the quality of life of the community.



KPA 7: Services & Customer Care: To deliver inclusive and excellent services to the community.



KPA 8: Economic Growth & Development: Increasing the GDP of the local municipality and improving the economic and social well-being of its people.

KEY POLICY DEVELOPMENTS

This is based on strategic alignment to the Provincial Growth and Development Strategy and the IDP Strategies included in the IDP document, especially with focus on impact and outcome achieved – bearing in mind that the foreword provides details that should be included in the chapters to follow.

KEY SERVICE DELIVERY IMPROVEMENTS

| | |
|---|---------------|
| 1. Donated 500 sanitary packs to schools | |
| 2. Kgatelopele Youth Development Programme has trained 200 participants, of which 99 concluded the training | |
| 3. A Local Labour Register has been implemented | |
| 4. Expenditure on electrification projects | R9 000 000.00 |
| 5. Budget for Sicelo/Highbury Reservoir (Valley Settlements) | R8 707 135.32 |
| 6. Spent to adjust provision for landfill site rehabilitation asset | R7 219 088.70 |
| 7. Extension to the Daleside Sewer (MIG) | R5 146 600.66 |
| 8. Upgrade Sewage Network (MIG) | R4 835 877.36 |
| 9. Water Loss Programme (Pipe Replacement) | R4 321 721.37 |
| 10. Upgrade of Road Intersections | R4 000 000.00 |
| 11. Fire Station at Vaal Marina (MIG) | R3 734 217.45 |
| 12. Gravel to Tar (MIG) | R2 518 006.13 |
| 13. Water Loss Management Programme | R2 412 200.67 |
| 14. Procurement of Skip Bin Loader | R1 798 879.40 |
| 15. Installation of mSCOA Sever | R1 755 133.22 |
| 16. Modular Library (Bantu Bonke) | R1 592 300.19 |
| 17. Upgrade Jan Neethling Street (Low Voltage) | R1 549 822.32 |
| 18. Sicelo/Highbury Reservoir (Valley Settlements) | R1 443 937.07 |
| 19. Mamello Bulk Water (MIG) | R1 202 664.10 |
| 20. ICT Network Infrastructure | R1 076 125.52 |

PUBLIC PARTICIPATION

Public participation has been of paramount importance to Midvaal's leadership team and it has improved through increasing the number of platforms where interaction can occur, as well as by improving the quality of these interactions.

The following public participation activities took place during the year:

- 15 Ward Committees are functional and meet on a quarterly basis as per programme.
- State of the Municipality Address.
- Budget and IDP meetings.
- Annual IDP Representative Forum.
- Annual Business Breakfast.
- Principals' Forum.
- Faith-Based Organisations' Forum.
- Farmers' Forum.
- Young Professionals' Forum.
- Tourism Forum.
- Quarterly Newsletter.
- Online e-newsletter.
- Calls for input through notices and advertisements in newspapers and on the municipal website, in compliance with the Municipal Systems Act.
- Meetings with relevant stakeholders and affected groups (e.g. business, media, community organisations, etc.).
- Suggestion box in Rates Hall.
- Social media avenues for communication (Facebook and Twitter).
- Ad hoc interaction such as visits to children's homes, churches and community events.

FUTURE ACTIONS FOR THE CURRENT POLITICAL TERM

- | | |
|--|----------|
| • Improvement of water supply to Sicelo and other informal settlements in Midvaal | R200 m |
| • Upgrading of the Water-treatment Works at Vaal Marina and Ohenimuri, and to expand the sewage network in Sicelo and Daleside | R149.5 m |
| • Funding earmarked for sanitation | R350 m |
| • Upgrading of municipal electricity network which include R21 million that will be spent in the next financial year on electrifying Sicelo (beginning with Extensions 4 and 5), as well as R77 million that will be spent on upgrading and maintaining Sicelo's electricity network | R212 m |
| • Funding to enhance the capacity at Riversdale | R20 m |
| • Funding to tar 23 kilometres of roads | R55 m |
| • Funding set aside to maintain existing road network | R170 m |
| • Funding for the construction of a multi-purpose centre in Lakeside | R3.9 m |
| • A Local Labour Register has been implemented and will be shared with local companies | |
| • Funding towards community projects, including sport centres and libraries | R100 m |
| • 300ha of land will be leased for agriculture, 100ha of which will be leased to the youth | |
| • Budget to spent on procuring goods and services from Kgatelopele companies | R30 m |

CONCLUSION

Midvaal's Vision was born out of an extensive consultative process to solicit the views of all the people of Midvaal regarding the direction our municipality should take, a journey intended to lead us to an elevated future.

This is no mere slogan when we say we strive to inclusively serve the needs of our communities. Everything that we do as a municipality will seek to make every person in Midvaal – black or white, rich or poor – feel a sense of belonging. We want Midvaal to feel like a loving home to all its residents. We echo the sentiments of Rudy Duterte when he said:

**“For what good will progress be if its benefits do not trickle down to the poorest of the poor.
Let us bear in mind, that the test of a good government is not whether we can add more to the
abundance of those who have much,
but whether we can provide for those who have so little”.**

We do all this so that, long after we are dead, future generations can visit our graves to lay flowers and say, “Here lie the remains of leaders who worked for the development of their people.”

What more could the dead ask for!



Clr. B. Baloyi
Executive Mayor

T1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW



Mr. A.S.A. de Klerk
Municipal Manager

The financial year 2016/2017 is the first year in office after the latest municipal elections and management has worked hard to entrench the principles of good governance and dedication within our organisation. Midvaal is reporting on the financial and key performance indicators knowing that the standard of the previous three clean audits will create huge expectations on the new governance structures of Midvaal. The management structure placed significant focus on mitigation of risks after the violent strikes at the beginning of the financial year and has been able to ensure that the performance that was lost in the first quarter of the year was caught up. We are proud to say that we have achieved exceptional performance under very difficult circumstances.

Midvaal, due to the change in the environment of local government and lessons learnt, has realised that we will in future, be under more pressure from the environment and will have to become more efficient in our use of natural resources. Unwanted wastage cannot be afforded. The municipality is also in the process of engagement with the relevant stakeholders for a Public Private Partnership (PPP) in the Electricity Department to ensure that the municipality will be able to provide

sustainable services to our ever increasing number of households.

The municipality decreased some of the shared services from the Sedibeng District Council. This related to ICT and the pressure to move on the transition to the new Municipal Standard Chart of Accounts (mSCOA). The procurement of new software and hardware also necessitated this as there was no concurrence from all three local municipalities in Sedibeng. The big issue was financing and uncertainty in relation to which service provider would be used from the transversal tenders of National Treasury. Midvaal couldn't risk non-compliance and proceeded to ensure implementation.

The rest of the shared services remained the same with Emfuleni providing water, electricity and sewer services to the Risiville residents. Ekurhuleni Metro provides Klipriver Business park with sewer services.

RISK MANAGEMENT

Enterprise-wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and the Ethics and Risk Charter was approved on 25 May 2017. A new policy is currently being compiled and will be submitted for approval during September 2017.

The Strategic Risk Register is fully aligned to the (Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the Municipality as well as all the objectives of the IDP are addressed.

The Technical Risk Committee (chaired by the Chief Risk Officer) was fully functional during the year under review. The vacancy of Chief Risk Officer was filled with effect 1 May 2017. The Risk Committee consists of Risk Management Co-ordinators who are senior personnel representing each department in the municipality. The risk champions underwent the National Treasury Risk Management Training during the year and are now fully functional.

The departmental risk champions submit status quo reports to the Risk Management Committee (oversight) on a quarterly basis indicating actions that have been taken to mitigate the risks. The Risk Management Committee is attended by the Chairperson of the Performance & Audit Committee. Items raised at the Risk Management Committee are also discussed at the Performance & Audit Committee, when relevant. Quarterly reports are submitted to Council on the progress and the management of strategic and operational risks. Risk Management is audited by the internal auditors for completeness and effectiveness on an annual basis.

The five top strategic risks identified after the completion of the IDP are:

1. Eskom supplies consumers in the municipal licence area;
2. Inability to create an environment that attracts investors and employment opportunities;
3. Escalating crime levels;
4. Lack of sufficient infrastructure for development in Midvaal;
5. Water supply insecurity.

In addition, the implementation of the National Treasury, Municipal Finance Management Act, Regulations on the Standard Chart of Accounts for municipalities which will be implemented 1 July 2017, will be an operational risk in the next financial year, due to resource limitations (both in terms of human resource capacity and ICT capacity) and the impact on change management within the municipality. This has been included in the risk registers for the 2017/2018-financial year.

FINANCIAL SUSTAINABILITY

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis. Ratings Afrika annually issues an analysis of the financial performance of all local municipalities and, as in previous years, Midvaal was the top performing local municipality in Gauteng, achieving an index score of 64 against the provincial average of 31. Ratings Afrika noted that the high-scoring municipalities demonstrate remarkable consistency over the years assessed. These municipalities normally have well-entrenched financial policies and their budgets are based on sound long-term financial strategies.

During the financial year under review, a number of initiatives were embarked upon to improve the financial management. These include:

1. Establishment of an mSCOA Steering Committee and establishment of a project team meeting on a weekly basis. The mapping of the General Ledger has been completed and the system changes were done by year-end. The municipality went live on mSCOA on 1 July 2017.
2. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality has adopted its own cost curtailment policy in the previous financial year and has now further strengthened policies in support of cost curtailment. Cost curtailment is now an entrenched principle and is no longer seen as a short term intervention, but rather part of the organisational culture.
3. Ongoing cash management: Cash balances increased from R100m at 30 June 2016 to R130m at 30 June 2017. An amount of R114m was generated from operations against the R116m of the previous financial year. A current ratio of 2.09 : 1 and a cost coverage ratio of 2.19 was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.
4. Improvement in the completeness of revenue reconciliations as standard operating procedure: MFMA Circular 64 describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received and all property owners are levied the correct property rates in accordance with the Local Government

Municipal Systems Act, 2000 (Act 32 of 2000) and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to accurately and comprehensively identify, record and manage all its revenue sources. Monthly reconciliations are now performed between the valuation roll and the billing system, as well as regular data verification tests done to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services has also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR

Statement of Financial Performance for the year ended 30 June 2017

The Municipality had a surplus of R21m for the year under review (an improvement from the previous year's deficit of R16.6m). The municipality received significant capital donations in the form of land from the developers of the Savanna City Development which was recognised as revenue during the year and which led to the huge increase in the accounting surplus. Revenue in total increased by 10.88% during the year. Expenditure has increased by 6.32% during the year. Cost of free basic services increased by 15.58% due to the increased number of indigents receiving free basic services.

Statement of Financial Position as at 30 June 2017

The financial position has not shifted materially from the 2015/2016 financial year. Current assets have increased by 16.02% from the 2015/2016 financial year, mainly as a result of increased cash and debtor balances. The cash collection rate for the year was 93.76%, a slight increase from the previous financial year.

Non-current assets have again declined this year. The 1.26% decline is due to the fact that the municipality's investments in new assets are lower than the annual depreciation charges. The condition of the assets are still such that a good level of services is rendered, but this is not a sustainable trend. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years. The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset values. This is being addressed through higher than inflation tariff increases with a corresponding increase in the maintenance cost. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of our service delivery mandate as well as our revenue base.

Current liabilities have decreased by 5.37%. Trade and other payables have decreased by 6.56% due to a concerted effort to have the majority of invoices paid by financial year end resulting in lower accruals being raised.

Non-current liabilities decreased by 0.67% as a result of the reduction in external loans – new loans amounting to R12 million were taken up in the year under review as well as lease agreements amounting to R3m for the financing of movable assets.

GENERAL KEY PERFORMANCE INDICATORS

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) prescribes certain general key performance indicators to be included in the performance management system.

The results of these ratio's are as follows:

| Section | Indicator | 2016 | 2017 |
|---------|---|--|---|
| 10(a) | Percentage of households with access to basic level of: | | |
| | Water | 75,8% | 90,90% |
| | Sanitation | 84,1% | 77,93% |
| | Electricity | 79,3% | 79,33% |
| | Solid waste (number of collection points) | 85% | 83,1% |
| 10(b) | Percentage of households earning less than R1 100 per month with access to free basic services <i>Note: The 100% refers to number of households who have registered as indigents (earning less than R3 500 per month) and are entitled to free basic services.</i> | 100% of 1 166 registered indigents | 100% of 3 753 registered indigents |
| 10(c) | Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 90% | 91,15% |
| 10(d) | Number of jobs created through municipality's local economic development initiatives including capital projects <ul style="list-style-type: none"> • Work Opportunities • Full Time Equivalent (FTE) | 1 280 1 469,22 | 1 932 |
| 10(e) | Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan. | 1 | 10 |
| 10(f) | Percentage of a municipality's budget actually spent on implementing its workplace skills plan | 81% | 93,4% |
| 10(g) | Financial Viability | | |
| | Debt Coverage | 18 Times | 21,36 Times |
| | Total (nett) outstanding service debtors to revenue | 33 | 29,35% |
| | Cost Coverage | 1,77 months | 2,19 months |

There were also several results which indicated that Midvaal still remains a top performing municipality. The municipality gave access to basic municipal services to the vast majority of its community and is able to assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

ORGANISATIONAL PERFORMANCE

Council approved a total of 57 Key Performance Indicators including the National Key Performance Indicators. An overall total performance of 91,22 % (52 indicators) was achieved.

The following four (4) targets were not fully achieved, namely:

1. Progress report on the funded Agricultural LED programme, Kgatelopele Youth Programme, submitted into the reporting cycle, not yet considered by the Mayoral Committee (KPI 030).
2. Annual Water & Sanitation Maintenance Master Plan (2017/2018) submitted into the reporting cycle considered by the Section 80-portfolio committee, not yet considered by the Mayoral Committee (KPI 037).
3. Target set to reduce electricity losses not to exceed 11.5 % not fully achieved. Percentage of electricity losses currently 11,79 % (KPI 070).
4. National Key Performance Indicator addressing the percentage of households with access to the basic level of sanitation, namely:
 1. Minimum of flush toilet with septic tank;
 2. Pit Latrine with ventilation, reduced from 2011, 84,1 % to 77,93 % (NKPI 1b).

Appropriate remedial actions were agreed upon and have been implemented to ensure that these targets are reached. A detailed report is attached as Annexure T.

AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015 and the 2015/2016 financial years. In an effort to maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA task team continued monitoring its implementation. The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the Clean Audit.

In my brief overview I have touched on some of the achievements and challenges facing the municipality. The rest of the Annual Report deals in detail with the departments and individual performance of these departments within Council.

Finally, I wish to thank the Executive Mayor and Mayoral Committee Members, Councillors and Heads of Department and all other staff members for making Midvaal a top performer.


A.S.A. DE KLERK
MUNICIPAL MANAGER

T 1.1.1

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

In this chapter it is evident that Midvaal has succeeded in enhancing the quality of life of all its citizens, through the improved delivery of basic services in both the urban and rural areas. Working hand in glove with other service providers such as Eskom and Rand Water, Midvaal has further reduced service delivery back-logs. The Council also provides other support services such as refuse removal, health facilities, cemeteries, libraries, parks and sports facilities.

The built environment is enhanced through rapid service delivery by the land use and the building control sections through reduced turnaround times in approving land use and building applications.

The housing backlog surveys conducted by the Red Ants, in collaboration with the Informal Settlement Network, has confirmed the housing backlog as defined by the 2011 Census. The result is that the housing backlog has been identified and Midvaal has facilitated the initiation of new projects to reduce the housing backlogs. The housing projects are planned to be established in a phased approach.

Population

Midvaal has a total population of 95 300 (Source StatsSA: 2011 Census). The total population grew from 52 679 in 1996 to 95 300 in 2011 according to the 1996 and 2011 census data. The year on year growth for the total population for this period was 2.78%. The Black or African population grew at a rate of 3.5% and the White or European population grew by 1.46%. The Migration Plan conducted and adopted by Midvaal in May 2016, identified that Midvaal is experiencing a population growth rate above the National and even Gauteng population growth rates.

Sectoral Analysis

- **Primary Sector**

The primary sector of the economy consists of the agricultural and mining sectors. Mining contributes 0.3% whilst agriculture contributes 1.34% to the Midvaal GVA*. The contribution by agriculture towards the GVA is minor, but plays a major role in the provision of food security and the creation of employment for unskilled and semi-skilled workers. It is with this in mind, that Midvaal has recognised the potential that the agricultural sector could contribute and therefore adopted an agricultural policy to protect agricultural land (food security).

***Gross value added (GVA)** is the measure of the value of goods and services produced in an area, industry or sector of an economy, in economics. In national accounts **GVA** is output minus intermediate consumption; it is a balancing item of the national accounts' production account.

- **Secondary Sector**

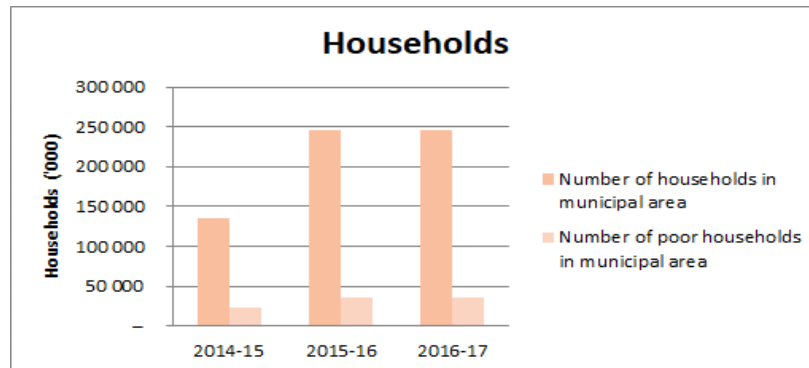
The secondary sector of the economy consists of manufacturing, electricity generation and construction. The manufacturing sector has grown to become the largest contributor to Midvaal's GVA, which contributes 24,06% overall. Midvaal recognised the potential of this sector and therefore adopted the R59 Strategic Framework to promote the R59 Development Corridor.

- **Tertiary Sector**

The tertiary sector is basically the services sector as well as the governmental sector which contributes 61,59% to the GVA of Midvaal.

T 1.2.1

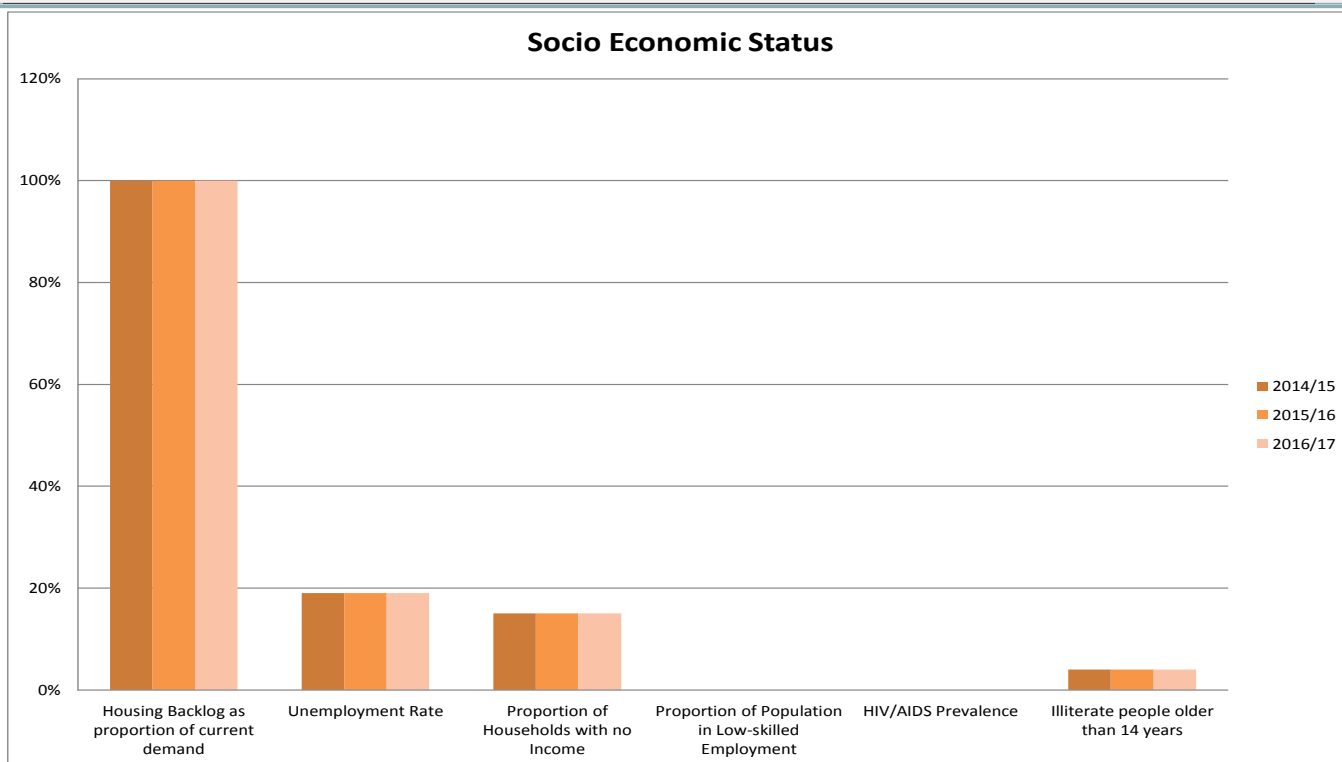
| Population Details | | | | | | | | | |
|--------------------|-----------|--------|--------|-----------|--------|--------|-----------|--------|---------|
| Age | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Age: 0 - 4 | 4 176 | 4 203 | 8 379 | 4 176 | 4 203 | 8 379 | 4 176 | 4 203 | 8 379 |
| Age: 5 - 9 | 3 555 | 3 466 | 7 021 | 3 555 | 3 466 | 7 021 | 3 555 | 3 466 | 7 021 |
| Age: 10 - 19 | 7 087 | 7 233 | 14 320 | 7 087 | 7 233 | 14 320 | 7 087 | 7 233 | 14 320 |
| Age: 20 - 29 | 9 929 | 8 453 | 18 381 | 9 929 | 8 453 | 18 381 | 9 929 | 8 453 | 18 381 |
| Age: 30 - 39 | 8 560 | 7 192 | 15 752 | 8 560 | 7 192 | 15 752 | 8 560 | 7 192 | 15 752 |
| Age: 40 - 49 | 6 489 | 6 220 | 12 709 | 6 489 | 6 220 | 12 709 | 6 489 | 6 220 | 12 709 |
| Age: 50 - 59 | 4 852 | 4 485 | 9 337 | 4 852 | 4 485 | 9 337 | 4 852 | 4 485 | 9 337 |
| Age: 60 - 69 | 2 963 | 2 920 | 5 882 | 2 963 | 2 920 | 5 882 | 2 963 | 2 920 | 5 882 |
| Age: 70+ | 1 567 | 1 952 | 3 519 | 1 567 | 1 952 | 3 519 | 1 567 | 1 952 | 3 519 |
| Source: StatsSA | | | | | | | | | T 1.2.2 |



T1.2.3

| Socio Economic Status | | | | | | |
|-----------------------|---|-------------------|---|--|---------------------|---------------------------------------|
| Year | Housing Backlog as proportion of current demand | Unemployment Rate | Proportion of Households with no Income | Proportion of Population in Low-skilled Employment | HIV/AIDS Prevalence | Illiterate people older than 14 years |
| 2014/15 | 100% | 19% | 15% | *See note | | 4% |
| 2015/16 | 100% | 19% | 15% | | | 4% |
| 2016/17 | 100% | 19% | 15% | | | 4% |
| T 1.2.4 | | | | | | |

* Note: The statistical information on these matters is not available at the date of compilation of the Annual Report.



T 1.2.5

| Overview of Neighbourhoods within Midvaal Local Municipality | | |
|--|---------------|---------------|
| Settlement Type | Households | Population |
| Towns | | |
| Vaal Marina SP | 231 | 402 |
| Noldick | 183 | 531 |
| Highbury | 201 | 558 |
| Klipwater | 177 | 639 |
| Meyerton Extension 6 | 201 | 696 |
| De Deur Estate | 216 | 702 |
| Ohenimuri | 219 | 744 |
| Balmoral Estate | 234 | 768 |
| Kookrus | 378 | 1 266 |
| Riversdale | 384 | 1 383 |
| Daleside | 630 | 2 076 |
| Rothdene | 594 | 2 106 |
| Meyerton South | 663 | 2 223 |
| Golf Park | 768 | 2 472 |
| Meyerton Central | 1 074 | 3 339 |
| Risiville | 1 170 | 3 858 |
| Henley on Klip | 1 596 | 5 010 |
| Lakeside | 2 787 | 9 231 |
| Meyerton Park | 3 264 | 11 145 |
| (Source StatsSA 2011) Sub-Total | 14 970 | 49 149 |
| Townships | | |

| | | |
|---|--------|--------|
| Not applicable | | 0 |
| Sub-Total | 0 | 0 |
| Rural Settlements | | |
| Risiville | 54 | 150 |
| Kliprivier | 66 | 168 |
| Rietspruit Agricultural Holdings | 63 | 210 |
| Pendale Agricultural Holdings | 87 | 228 |
| Van Der Westhuizen Agricultural Holdings | 78 | 240 |
| Green Valley Agricultural Holdings | 69 | 243 |
| Klipview Agricultural Holdings SP | 84 | 285 |
| Ironside Agricultural Holdings | 114 | 309 |
| Voster Park Agricultural Holdings | 105 | 324 |
| Harveston Agricultural Holdings | 120 | 336 |
| Schoongezicht Agricultural Holdings | 102 | 339 |
| Sherman Park Agricultural Holdings | 93 | 375 |
| McKay Estate | 129 | 384 |
| Koolfontein Agricultural Holdings | 105 | 390 |
| Garthdale Agricultural Holdings | 111 | 396 |
| Goedehoop Agricultural Holdings | 168 | 477 |
| Hartzenberg Agricultural Holdings | 180 | 510 |
| Gardenvale Agricultural Holdings | 150 | 516 |
| Henley on Klip | 168 | 522 |
| Glen Donald Agricultural Holdings | 183 | 600 |
| Golf View Agricultural Holdings | 192 | 630 |
| Valley Settlements Agricultural Holdings | 267 | 675 |
| Tedderfield Agricultural Holdings | 240 | 720 |
| Ophir Agricultural Holdings | 201 | 786 |
| Walkerville Agricultural Holdings | 291 | 810 |
| Nooitgedacht Agricultural Holdings | 249 | 879 |
| Drumblade Agricultural Holdings | 300 | 966 |
| Boltonwold Agricultural Holdings | 276 | 975 |
| Homelands Agricultural Holdings | 321 | 984 |
| Buyscelia | 300 | 1 023 |
| Blignautsrus Agricultural Holdings | 390 | 1 050 |
| Nelsonia Agricultural Holdings | 276 | 1 065 |
| Mooilande Agricultural Holdings | 354 | 1 086 |
| Elandsfontein Agricultural Holdings | 429 | 1 122 |
| Riversdale | 339 | 1 146 |
| De Deur Estate | 381 | 1 533 |
| Homestead Agricultural Holdings | 573 | 1 713 |
| Walkers Fruit Farms Agricultural Holdings | 747 | 2 151 |
| Midvaal NU | 888 | 2 913 |
| Midvaal NU Farms | 1 873 | 8 167 |
| (Source StatsSA 2011 Census) Sub-Total | 11 116 | 37 396 |

| Informal Settlements | | |
|---|---------------|---------------|
| Alewynspoort - Harold | 150 | 343 |
| Alewynspoort - Kromdraai | 80 | 120 |
| Boitumelo | 286 | 517 |
| Piels Farm | 351 | 555 |
| Put Put - Kayelitsha | 374 | 530 |
| Sicelo | 2 969 | 6 441 |
| Chicken Farm | 28 | 42 |
| Stwada | 86 | 208 |
| (Source: Clarification Report compiled by Midvaal DD: Housing) Sub-Total | 3 766 | 8 756 |
| Total | 29 852 | 95 301 |
| T 1.2.6 | | |

Note: Refer to the Municipal Fact Sheet at number 5 of the Section 46 Performance Report, attached in Volume 2 of this Annual Report, (Appendix “T” of this Annual Report), as well as the situational Analysis at number 9 of the same Section 46 report.

| Natural Resources | |
|------------------------|--|
| Major Natural Resource | Relevance to Community |
| Dolomite | Active mine Glen Douglas, Artisans programme and employer of several Midvaal residents |
| Coal | Coal and other mineral deposits in the eastern part of Midvaal and adjoining municipalities. Environmental risk, negative impact on Midvaal infrastructure, limited employment potential |
| Nature | Suikerbosrand Nature Reserve, Ridges. Conservation tourism has the potential to contribute to job creation and combatting unemployment |
| Water | Klipriver, Vaal River, Vaal Dam |
| T 1.2.7 | |

COMMENT ON BACKGROUND DATA

The following challenges are highlighted by the above information:

- Increase in the unemployment rate;
- Level of indigency;
- Population growth in the economically active population and pressure to provide bulk infra-structure.

In order to address the challenges, Midvaal Local Municipality has:

- EPWP, CWP, Agricultural and Local Ecomic Development Projects;
- Adopted the LED Strategy and Agricultural Growth Strategy;
- Revised the Indigent Policy;
- Reached agreements with developers to contribute to bulk infrastructure;
- Co-ordinated planning to enhance responsiveness;
- An effective complaints system to address concerns of residents.

T 1.2.8

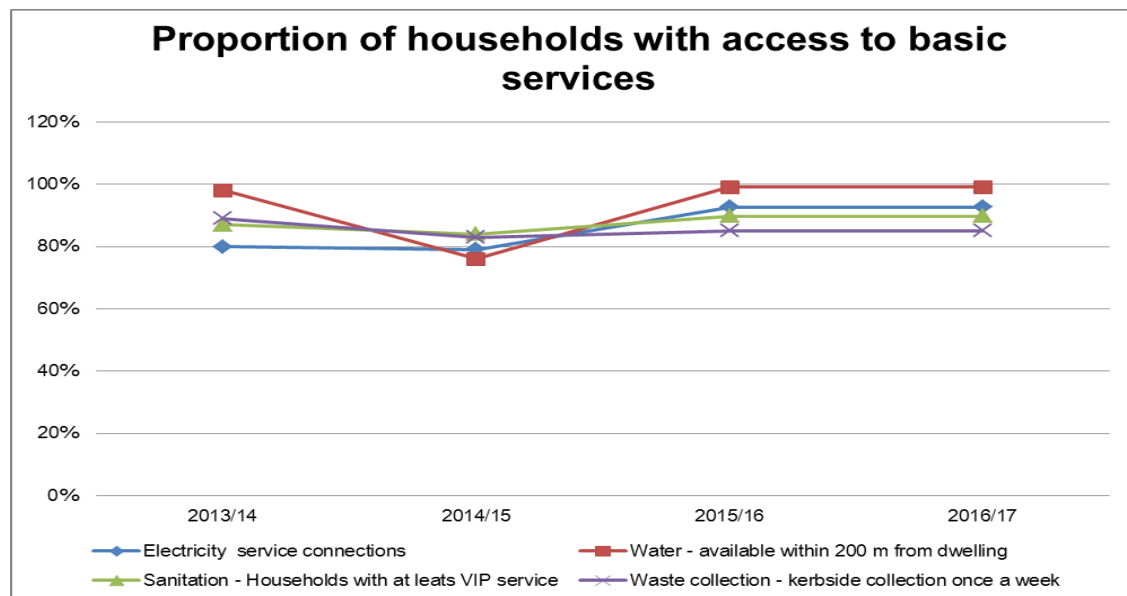
SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The information on basic service delivery, achievements and challenges, including information on service delivery to indigents, are dealt with in Chapter 3. Applications for electricity connections to households only came from people who could afford it. All the requests for which payment was made were completed. Indigents in the formal housing areas were given free basic units (50 kWh per month), if they were registered with the municipality. An application for funding of bulk supplying to Sicelo and Mamello was made.

T 1.3.1

| Proportion of Households with minimum level of Basic services | | | | |
|---|---------|---------|---------|---------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Electricity service connections | 80% | 79% | 93% | 93% |
| Water - Available within 200 m from dwelling | 98% | 76% | 99% | 99% |
| Sanitation - Households with at least VIP service | 87% | 84% | 90% | 90% |
| Waste Collection - kerb-side collection once a week | 89% | 83% | 85% | 85% |



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES

As can be seen from the graph above, there is an improvement in access to basic services by households, albeit slight. This improvement has been realised in spite of the continued negative local, National and International economic climate.

Midvaal approved its indigency threshold at an income level of R3500 per household per month.

T 1.3.3

1.2. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Financial Sustainability

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis. Ratings Afrika annually issues an analysis of the financial performance of all local municipalities and, as in previous years, Midvaal was the top performing local municipality in Gauteng, achieving an index score of 64 against the provincial average of 31.

Ratings Afrika noted that the high-scoring municipalities demonstrate remarkable consistency over the years assessed. These municipalities normally have well-entrenched financial policies and their budgets are based on sound long-term financial strategies.

During the financial year under review, a number of initiatives were embarked on, to improve the financial management.

These includes:

1. Establishment of an mSCOA steering committee and establishment of a project team who met on a weekly basis. The mapping of the General Ledger has been completed and the system changes were done by year-end. The municipality went live on mSCOA on 1 July 2017.
2. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality had adopted its own cost curtailment policy in the previous financial year and has now further strengthened policies in support of cost curtailment. Cost curtailment is now an entrenched principle and is no longer seen as a short term intervention, but rather, part of the organisational culture.
3. Ongoing cash management: Cash balances increased from R100m at 30 June 2016 to R130m at 30 June 2017. An amount of R114m was generated from operations against the R116m of the previous financial year. A current ratio of 2.09 : 1 and a cost coverage ratio of 2.19 was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.
4. Improvement to the completeness of revenue reconciliations as standard operating procedure: MFMA Circular 64 describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received and all property owners are levied the correct property rates in accordance with the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to accurately and comprehensively identify, record and manage all its revenue sources. Monthly reconciliations are now performed between the valuation roll and the billing system as well as regular data verification tests done to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services have also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

Analysis of financial results for the year

Statement of Financial Performance for the year ended 30 June 2017

The Municipality had a surplus of R21m for the year under review (an improvement from the previous year's deficit of R16.6m). The municipality received significant capital donations in the form of land from the developers of the Savanna City Development which was recognized as revenue during the year which led

to the huge increase in the accounting surplus. Revenue in total increased by 10.88% during the year. Expenditure has increased by 6.32% during the year. Cost of free basic services increased by 15.58% due to the increased number of indigents receiving free basic services.

Statement of Financial Position as at 30 June 2017

The financial position has not shifted materially from the 2015/2016 financial year. Current assets have increased by 16.02% from the 2015/2016 financial year, mainly as a result of increased cash and debtor balances. The cash collection rate for the year was 93.76%, a slight increase from the previous financial year.

Non-current assets have again declined this year. The 1.26% decline is due to the fact that the municipality's investments in new assets are lower than the annual depreciation charges. The condition of the assets are still such that a good level of services is rendered, but this is not a sustainable trend. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years. The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset values. This is being addressed through higher than inflation tariff increases with a corresponding increase in the maintenance cost. The protection of the municipality's asset base is regarded as a high priority as it is both the base of our service delivery mandate as well as our revenue base.

Current liabilities have decreased by 5.37%. Trade and other payables have decreased by 6.56% due to a concerted effort to have the majority of invoices paid by financial year end resulting in lower accruals being raised.

Non-current liabilities decreased by 0.67% as a result of the reduction in external loans – new loans amounting to R12 million were taken up in the year under review as well as lease agreements amounting to R3m for the financing of movable assets.

Audit Opinion

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015 and the 2015/2016 financial years. In an effort to maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA Task Team continued monitoring its implementation. The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the Clean Audit.

T1.4.1

| Financial Overview: 2016/17 | | | |
|-----------------------------|-----------------|-------------------|----------------|
| | | | R' 000 |
| Details | Original budget | Adjustment Budget | Actual |
| Income: | | | |
| Grants (Opex and Capex) | 136 622 | 137 122 | 133 854 |
| Taxes, Levies and tariffs | 821 764 | 870 776 | 877 407 |
| Less: Income Foregone | (103 770) | (169 906) | (173 040) |
| Other | 108 718 | 110 724 | 114 674 |
| Sub Total | 963 334 | 948 716 | 952 894 |
| Less: Expenditure | (1 016 497) | (1 000 136) | (931 383) |
| Net Total* | (53 163) | (51 420) | 21 511 |
| * Note: surplus/(deficit) | | | T 1.4.2 |

| Operating Ratios | |
|------------------------------|----------------|
| Detail | % |
| Employee Cost | 25% |
| Repairs & Maintenance | 6% |
| Finance Charges & Impairment | 2% |
| | <i>T 1.4.3</i> |

COMMENTS ON OPERATING RATIOS

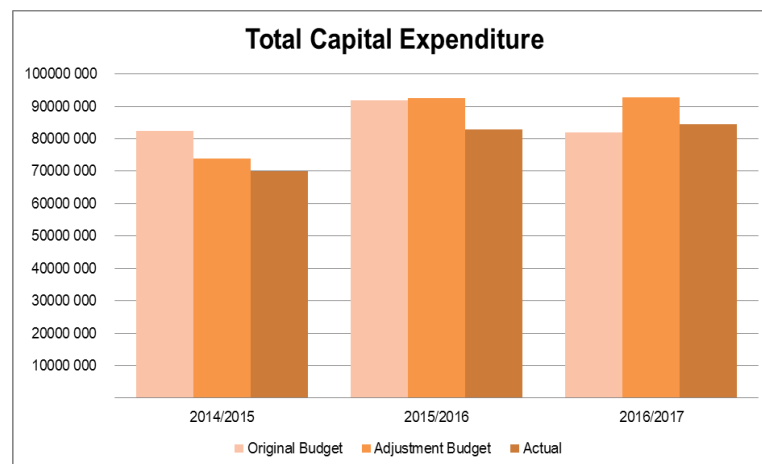
Employee costs are within acceptable norms. The Organogram of Council is reviewed on an annual basis and only positions that are affordable are funded on the structure.

Repairs and maintenance expenditure are not at acceptable levels and as part of the multi-year budget, increased allocations will be made to repairs and maintenance. The National Treasury norm is that 8% of the carrying value of assets must be provided for as repairs and maintenance. Whilst allocations for repairs and maintenance are increased on an annual basis, it is unlikely that these targets will be met over the medium term.

Finance charges remains low due to the relatively low gearing level.

T 1.4.3

| Total Capital Expenditure: 2014/15 to 2016/17 | | | |
|---|-----------|-----------|----------------|
| | R'000 | | |
| Detail | 2014/2015 | 2015/2016 | 2016/2017 |
| Original Budget | 82 392 | 91 790 | 81 969 |
| Adjustment Budget | 73 884 | 92 579 | 92 693 |
| Actual | 70 024 | 82 916 | 84 489 |
| | | | <i>T 1.4.4</i> |



COMMENTS ON CAPITAL EXPENDITURE

R84.59m was spent in the 2016/2017-financial year against R83m in the previous year.

The municipality achieved a 91.15% spending level on the capital budget. Savings were achieved where projects were delivered within time but below budget. This is encouraging as all departments are now implementing their projects in a most cost effective manner as opposed to spending just for the sake of chasing a 100% spending level.

Projects not completed at financial year end have been carried forward to the 2017/2018 financial year for completion.

T 1.4.5.1

1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipal Organisational Structure for 2016/2017 was amended and approved by Council during May 2017.

T 1.5.1

1.4. AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT: 2016/17 (CURRENT YEAR)

Audit to be done during August to November – Annual Report will be updated once the audit report has been issued.

T 1.6.1

1.5. STATUTORY ANNUAL REPORT PROCESS

| No | Activity | Timeframe |
|----------------|--|----------------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | 24 Aug 2017 |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting) | 1 July 2017 |
| 3 | Finalise the 4 th quarter Report for previous financial year | 26 July 2017 |
| 4 | Submit draft 2016/17 Annual Report to Internal Audit and Auditor-General | 31 Aug 2017 |
| 5 | Municipal entities submit draft annual reports to MM | N/A |
| 6 | Audit/Performance Committee considers draft Annual Report of municipality and entities (where relevant) | 24 Aug 2017 |
| 8 | Mayor tables the unaudited Annual Report | 24 Aug 2017 |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General | 31 Aug 2017 |
| 10 | Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase | 31 Aug 2017 |
| 11 | Auditor-General audits Annual Report including consolidated Annual Financial Statements and performance data | 1 Sept – 30 Nov 2017 |
| 12 | Municipalities receive and start to address the Auditor-General's comments | 30 Nov 2017 |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report | 25 Jan 2018 |
| 14 | Audited Annual Report is made public and representation is invited | 26 Jan 2018 |
| 15 | Oversight Committee assesses Annual Report | Feb / Mar 2018 |
| 16 | Council adopts Oversight Report | 30 Mar 2018 |
| 17 | Oversight Report is made public | 3 Apr 2018 |
| 18 | Oversight Report is submitted to relevant provincial councils | 3 Apr 2018 |
| 19 | Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input | Aug 2018 |
| T 1.7.1 | | |

COMMENT ON THE ANNUAL REPORT PROCESS

The municipality endeavours to comply with the MFMA Circular 63 dealing with the Annual Report.

The Municipality has implemented an electronic Performance Management System (PMS) called e-Perform and there now is alignment between the IDP, Budget and Service Delivery Budget Implementation Plans (SDBIP's) and the PMS. Planning and monitoring of activities in achieving the municipality's targets and objectives are thus aligned and focussed. This alignment is important in order to comply with legislation.

T 1.7.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

1. Sections 40 and 41 of the Constitution provide:

“40 Government of the Republic

- (1) In the Republic, government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.
- (2) All spheres of government must observe and adhere to the principles in this Chapter and must conduct their activities within the parameters that the Chapter provides.

41 Principles of co-operative government and intergovernmental relations

- (1) All spheres of government and all organs of state within each sphere must:
 - (a) Preserve the peace, national unity and the indivisibility of the Republic;
 - (b) Secure the well-being of the people of the Republic;
 - (c) Provide effective, transparent, accountable and coherent government for the Republic as a whole;
 - (d) Be loyal to the Constitution, the Republic and its people;
 - (e) Respect the constitutional status, institutions, powers and functions of government in the other spheres;
 - (f) Not assume any power or function except those conferred on them in terms of the Constitution;
 - (g) Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
 - (h) Co-operate with one another in mutual trust and good faith by:
 - (i) Fostering friendly relations;
 - (ii) Assisting and supporting one another;
 - (ii) Informing one another of, and consulting one another on, matters of common interest;
 - (iv) Coordinating their actions and legislation with one another;
 - (v) Adhering to agreed procedures; and
 - (vi) Avoiding legal proceedings against one another.
- (2) An Act of Parliament must:
 - (a) establish or provide for structures and institutions to promote and facilitate inter-governmental relations; and
 - (b) provide for appropriate mechanisms and procedures to facilitate settlement of inter-governmental disputes.
- (3) An organ of state involved in an intergovernmental dispute must make every reasonable effort to settle the dispute by means of mechanisms and procedures provided for that purpose, and must exhaust all other remedies before it approaches a court to resolve the dispute.

- (4) If a court is not satisfied that the requirements of Sub-section (3) have been met, it may refer a dispute back to the organs of state involved.”

2. Broad powers and functions of the municipality:

Section 151(2) of the Constitution: The Executive and Legislative authority of a municipality is vested in its municipal council.

Section 156(1) of the Constitution: A municipality has executive authority in respect of, and has the right to administer –

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (of the Constitution); and
- any other matter assigned to it by national or provincial legislation.

Section 156(5) of the Constitution: A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

3. Governance is about “how” an organisation is run. In the running of Midvaal, a clear distinction is made between the politically elected structure (Councillors serving on the Council which is responsible for the oversight and legislative function of the municipality, as well as those matters which it has retained as its own functions. Other elected Councillors serve as full time office bearers involved in the day-to-day running of the Municipal Council from the political perspective, namely the Executive Mayor with his Mayoral Committee and the Speaker) and the administration.

The Council is chaired by the Speaker. The executive is headed by the Executive Mayor with his Mayoral Committee of five(5) members. The structure of Council is set out in greater detail later in this chapter.

The Administration is headed by the Municipal Manager, who is also the organisation’s Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision-making powers are clear and unambiguous (see the notes below).

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The political and administrative functions in Midvaal operate on a clearly differentiated and identified role clarification basis. The final decision-making processes are also designed to obtain and consider stakeholder inputs, requests and needs within the framework of available resources.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Midvaal made extra efforts to include the Ward Committees and Councillors to the maximum of administrative functions and outputs at all levels. Any inputs or comments from the committees are reflected or accommodated in the reports pertaining to Council matters.

Ward Committees are also involved in commenting on reports, with the purpose of being kept abreast of (and in turn, to inform the community with regard to) changes and developments within the municipality. This ensures a high level of public participation and promotes the principle of accountability.

A report has to follow a lengthy process to ensure all role-players are aware and supportive of the recommendations before it appears on the Council agenda.

Reports are forwarded from the meeting of the Municipal Manager and Heads of Department to the relevant Ward Councillors and Ward Committees, if applicable, who can then comment as indicated above. Thereafter the reports are submitted to the Section 80 Portfolio Committee Meeting where a full-time Councillor (MMC) chairs the meeting in collaboration with part time Councillors of Midvaal. After a report has been noted and commented on by the Section 80 Committee, it is then forwarded to the Mayoral Committee for resolution or comments according to delegated powers.

After a final resolution has been approved by either the Mayoral Committee or Council, it is captured in a resolution register which is regularly updated. The notification for implementation of the resolution is sent to the relevant role-player responsible for the execution and it is followed up on. Feedback of the final resolution to the Ward Committee is the final phase of this process of community participation.

Division of Legislative and Executive Functions

In terms of Chapter 7 of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested within its Municipal Council. Following the introduction of an Executive Mayoral System, Midvaal initiated the process of splitting the executive and legislative functions by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts and Oversight Committee (MPAC) and its implied oversight role, there has been a further implied split between the two functions. The MPAC as a structure of the legislative function (the Council) is expected to assist with oversight over the executive function (the Executive Mayor).

The principle of good governance requires that the legislative and oversight function that is to be exercised by a municipal council should be independent of the executive function that has been delegated to the Executive Mayor. This is to avoid undue influence and pressure being exerted by one function upon another and to allow each function the opportunity to operate freely within its delegations. It is in pursuance of the notion of having sound checks and balances in place in the governance model.

The Legislative Function of Council

The legislative (and oversight) function of Council is vested within the full Council with the Speaker as its Chairperson. The pass of by-laws, policies on functions retained by Council and frameworks within which delegated powers must be exercised, remain the function of the full Council, except where certain express delegations have been made in this regard.

The Speaker is also responsible for the Whippers (see below), training of Councillors (e.g. modular training, etc.), Councillor capacitation, Junior Council, specific mentorship programmes (e.g. women's mentorship programme), Ward Committees etc.

1. The Section 79: Ethics and Disciplinary Committee

To assist the Speaker with the performance of the delegated functions relating to investigating misconduct of Councillors, enforcing the Code of Conduct for Councillors and enforcing the Standing Orders of Council, a Section 79 Disciplinary and Ethics Committee was established.

2. The Section 79: Municipal Public Accounts and Oversight Committee (MPAC), Petitions Committee and Public Place Naming Committee

To assist the Council with its oversight function, a Section 79 Municipal Public Accounts and Oversight Committee (MPAC) was established with specific terms of reference.

The MPAC (Municipal Public Accounts and Oversight Committee) functions as the Oversight Committee of Council in respect of the Annual Report, and its Oversight Report is submitted and published in accordance with the MFMA requirements and guidance. The MPAC consists of members of the majority and opposition parties.

The Petitions Committee has been established as a Section 79 Committee reporting directly to Council in terms of Council's Petitions Policy.

The Public Place Naming Committee is also a Section 79 Committee that considers and advises Council on the names for public places (such as streets, parks, etc.) or the changing of any such names.

3. Powers of and Delegations to Executive Mayor

Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (e.g. the Municipal Systems Act, Municipal Finance Management Act, etc.), the executive function of the Council is delegated to the Executive Mayor as the appointed head of the executive function insofar as the Constitution and practicalities allow. The Executive Mayor is to exercise political oversight of the administration, except for the administrative unit known as "The Office of the Speaker".

In executing and performing the executive functions of Council and the Municipality, the Executive Mayor is assisted by five Members of the Mayoral Committee each with a particular portfolio. The Section 80 Committees contemplated in Annexure A constitute these specific portfolios.

4. Whippers

The Council has a Whippers which comprises the Chief Whip of Council and the Whip of the official opposition represented in Council. The Whippers mainly deals with inter-party relations, party discipline and issues of mutual interest.

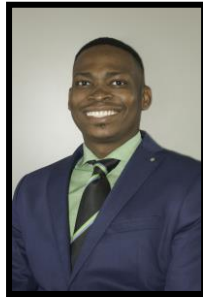
5. Specific Programmes

Certain projects are championed by the political offices directly. Examples are the public participation processes to engage the residents in formal structures (e.g. Ward Committees, People's Assembly or State of the Municipality Address (SOMA), Petitions, etc) and less formal personal interaction (public meetings, discussions with interest groups, etc). Another example is the establishment of the Junior Council which comprises scholars from within Midvaal. The Junior Council functions well as a formalised structure and meets regularly to deliberate on issues of concern to the Youth. The Junior Council is also a mechanism to expose the scholars to governance issues.

6. Attendance of Meetings - The attendance of meetings is reflected in Appendix A.

T 2.1.1

POLITICAL STRUCTURE



EXECUTIVE MAYOR

Cllr. B.M. Baloyi
(PR) DA



SPEAKER

Cllr. F.W. Peters
(PR) DA



CHIEF WHIP

Cllr. P.C. Pretorius
(WARD 14) DA

MAYORAL COMMITTEE



**ACTING MAYOR /
MMC: ENGINEERING
SERVICES**

Cllr. D.R. Ryder
(WARD 7) DA



**MMC: CORPORATE
CLUSTER**

Cllr. A. Tsukudu
(PR) DA



**MMC: COMMUNITY
SERVICES**

Cllr. SD. Nyaku
(PR) DA



**MMC: DEVELOPMENT
PLANNING & HOUSING**

Cllr. P.J. Teixeira
(WARD 4) DA



**MMC: FINANCE &
PROTECTION
SERVICES**

Cllr. P.D. Huthcheson-
Pretorius
(WARD 5) DA

T 2.1.1

COUNCILLORS

Midvaal has 29 Councillors consisting of 15 Ward Councillors and 14 Proportional representation councillors



Cllr. W.F. De Agrella
(WARD 1) DA



Cllr. S.M.A. Janse van
Rensburg
(WARD 2) DA



Cllr. M.S. Schoeman
(WARD 3) DA



Cllr. P.J. Teixeira
(WARD 4) DA



Cllr. P.D. Hutcheson-
Pretorius
(WARD 5) DA



Cllr. J. Mabaso
(WARD 6) ANC



Cllr. D.R. Ryder
(WARD 7) DA



Cllr. M.M. Ndebele
(WARD 8) ANC



Cllr. H.P. Oosthuysen
(WARD 9) DA



Cllr. M.M. Mahlangu
(WARD 10) ANC



Cllr. B. Hlengwa
(WARD 11) ANC



Cllr. M.C. Kruger
(WARD 12) DA



Cllr. S. Muirhead
(WARD 13) DA



Cllr. P.C. Pretorius
(WARD 14) DA



Cllr. L.S. Parsonson
(WARD 15) DA



Cllr. B.M. Baloyi
(PR) DA



Cllr. F.W. Peters
(PR) DA



Cllr. S.D. Nyaku
(PR) DA



Cllr. A. Tsukudu
(PR) DA



Cllr. M.A. Myburgh
(PR) DA



Cllr. T.C. Sikhosana
(PR) DA



Cllr. M.G.I. Ngcobo
(PR) ANC



Cllr. M.L. Modikeng
(PR) ANC



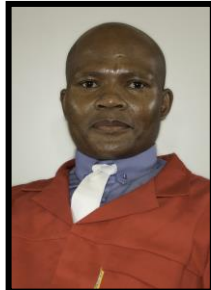
Cllr. P. Ramushu
(PR) ANC



Cllr. M.B. Tabo
(PR) ANC



Cllr. J.M. Dlangamandla
(PR) ANC



Cllr. M.J. Mphasawe
(PR) EFF



Cllr. J. Mazibuko
(PR) EFF



Cllr. C.G. Pypers
(PR) FF+

T 2.1.2

POLITICAL DECISION-MAKING

Political decisions are taken in a formal Council meeting where all participating political parties in Council have equal opportunity to deliberate the items as per the agenda, after which a resolution is adopted. Where consensus cannot be achieved, items are put to the vote after debate.

The process is governed by the Standing Orders of Council, which have been formally adopted and duly promulgated.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager and the Heads of Department meet formally every Monday to deliberate on service delivery issues and reports that must be submitted to the Mayoral Committee or Council in terms of Delegated Powers, as well as on organisational management matters. The management team also engages the Mayoral Committee on a weekly basis to ensure that the decision-making process is expedited to enhance service delivery. Each Head of Department also interacts with his/her Member of the Mayoral Committee (MMC) on a more regular basis for the same purpose.

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE

TIER 1



MUNICIPAL MANAGER
Mr. A.S.A. de Klerk

TIERS 2 & 3



DEPUTY MUNICIPAL MANAGER
Mr. T.W. Peeters

DIRECTOR: LEGAL
Mrs. N. Ameer-van Wyk

DIRECTOR: HUMAN RESOURCES
Vacant

- Secretariat & Committees
- Legal Services
- ICT Services
- Facility Rentals
- Archives
- Marketing & Communications
- Political Offices
- Complaints System
- Internal Audit
- Performance Management
- Anti-Corruption
- Occupational Health & Safety
- Labour Relations / Local Labour Forum
- Disciplinary Action
- Time and Attendance
- Training and Development
- Recruitment & Selection
- Personnel Administration
- Employee Benefits Administration
- Employment Equity
- HIV in Workplace



EXECUTIVE DIRECTOR: FINANCE

Mrs. A. Van Schalkwyk

DIRECTOR: EXPENDITURE
Ms. K. Desai

DIRECTOR: INCOME
Mr. A. Meiring

DIRECTOR: FINANCIAL
REPORTING
Ms. G. Herholdt

DIRECTOR: RISK &
COMPLIANCE
Ms. J. Tait

- Billing & Revenue
- Credit Control
- Rates & Tariffs
- Expenditure
- Budget Control
- Valuations
- Asset Management
- Risk Management



EXECUTIVE DIRECTOR: ENGINEERING SERVICES

Mr. S. Coetzee

DIRECTOR: PMU
(Project Management Unit)
Mr. B. Welchman

DIRECTOR: ELECTRICAL &
MECHANICAL
Mr. J. Dreyer

DIRECTOR: WATER &
SANITATION
Mr. N. Mashele

DIRECTOR: TECHNICAL
SUPPORT
Mr. D. Mkontho

DIRECTOR: ROADS & STORM-
WATER
Vacant

- Roads
- Storm-water
- Water Provision
- Sanitation Services
- Electricity
- Street Lights
- Mechanical Workshop
- Facilities Repair and Maintenance



EXECUTIVE DIRECTOR: DEVELOPMENT PLANNING AND HOUSING

Mr. H. Human

DIRECTOR: DEVELOPMENT
PLANNING & HOUSING
Mr. T. Arlow

DIRECTOR: LOCAL
ECONOMIC DEVELOPMENT
Vacant

DIRECTOR: BUILDING & LAND
USE CONTROL
Vacant

- Town Planning
- Building Control
- Illegal Structures
- Tourism
- GIS
- Integrated Development Planning (IDP)
- Sale of Council Land
- Environmental Management
- Agricultural Affairs
- LED & MIR
- SMME Development
- Local Agenda 21
- Housing



**EXECUTIVE DIRECTOR:
PROTECTION SERVICES**
Mr. E. Lensley

CHIEF FIRE OFFICER
Mr. H. Steyn

CHIEF TRAFFIC OFFICER
Mrs. A. Mpai

- Fire & Emergency Services
- Crime Prevention
- By-laws Enforcement
- Traffic Control
- Street Signs & Names
- Road Markings
- Informal Trading & Markets
- Business Licences



**EXECUTIVE DIRECTOR:
COMMUNITY SERVICES**
Mr. S. Mosidi

DIRECTOR: PARKS,
MUNICIPAL HEALTH
SERVICES & CEMETERIES
Mr. J. Venter

DIRECTOR: WASTE &
ENVIRONMENTAL
MANAGEMENT
Mrs. S. Mali

- Clinics & Community Health
- HIV/AIDS
- Designated Groups:
Woman, Elderly, Youth, Disabled
- Waste Management
- Environmental Health
- Libraries
- Indigency
- Sport & Recreation
- Social Development
- Parks & Cemeteries
- Grass & Tree Cutting

Note: * The Executive Directors are appointed on fixed term employment contracts and they report to the Municipal Manager in terms of the Municipal Systems Act Section 57.

T2.2.2

COMPONENT B: INTER-GOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTER-GOVERNMENTAL RELATIONS

Note: The Municipal Systems Act (MSA) Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution (Section 41).

The Council does not function in a vacuum and strives to maintain good inter-governmental relations with its neighbouring municipalities, the Provincial Authority, National Government and other agencies as well as inter-governmental bodies, such as SALGA, the Premier's Co-ordinating forum, MEC–MMC IGR fora, administrative working committees and so forth. A few of the intergovernmental platforms are reflected below.

T 2.3.0

2.3 INTER-GOVERNMENTAL RELATIONS

| NATIONAL INTER-GOVERNMENTAL STRUCTURES | | |
|--|--|---|
| IGR | Purpose | Frequency of meetings |
| Community Safety Forum | Community safety | Quarterly |
| Institute of Traffic & Metro Police of South Africa | Traffic & Police | Annually |
| Presidential/Provincial Hotline | Complaints | Quarterly |
| Accountant General CFO Forum | To interact on matters related to accounting standards and financial reporting | Quarterly |
| IMFO CFO Forum | To interact on a national level (Metro's and select local municipalities) on matters related to legal compliance, financial reporting and other financial management issues | Bi-monthly |
| Environmental Management Forum (Department of Environmental Affairs) | Share information on environmental management best practices | Ad hoc (As and when required) |
| Department of Arts & Culture | Report on discussions held with National Department of Arts and Culture as well as new developments | Quarterly |
| NERSA | Electricity | Annually |
| Three Sphere Meeting | Interaction between Province and National to keep them posted on MIG projects & policies and other related issues | Monthly |
| SRSS | To co-ordinate the Sewerage Treatment Project in the Sedibeng District, Province, National, District and Local | Monthly |
| Norms and Standards | An elected group of managers out of Gauteng working on the standardisation of the Norms and Standards of the Fire Services | Monthly 2 nd Thursday |
| NKP (National Key Point) | Management met with National Key Point representatives regarding safety and security issues of the Key Points doing evacuation drill etc | Meetings – Monthly |
| GUFPA (Gauteng Umbrella Fire Protection Association) | Management met with Gauteng Umbrella of the Fire Protection Association discussing issues and compliance with the National Veld and Forest Fire Act 101 of 1998 | Meetings – Quarterly Fridays or Saturdays |
| Disaster Management Advisory | Management met on District and Provincial level discussing Disaster Management Plans ensuring preparedness and readiness of personnel in case of any disasters and serves as a point of reference regarding international disasters and how arising problems should or can be managed. | Meetings – Quarterly |

T2.3.1

| PROVINCIAL INTER-GOVERNMENTAL STRUCTURE | | |
|--|--|--------------------------------|
| IGR | Purpose | Frequency of meetings |
| DHA Stakeholders Forum | Home Affairs | Quarterly |
| Technical Task Team Meetings (Fire Safety / Operational / PIER) | Management of different sections in Fire Department met with Province ensuring operational functionality of each section | Monthly 2 nd Friday |
| Premiers Co-ordinating Internal Audit & Risk Forum | Premiers & MM's Internal Audit & Risk Forum | Ad-hoc |
| CRDP FORUM Department of Agriculture | Rural Development | Quarterly |
| Premier's Co-ordinating Forum | All Mayors in Gauteng raise and discuss critical issues with the Premier directly | Quarterly |
| Premier's Ntirhisano War Room PTT | Service delivery war room | Monthly |
| MEC / MMC Infrastructure | To collate and discuss information surrounding departmental projects | Quarterly |
| MEC/MMC IGR FORUM Human Settlements | To discuss with the MEC issues relating to housing and development | Bi-monthly |
| MEC/MMC IGR FORUM (GDARD) Agriculture and Rural Development | To discuss issues relating to agriculture and farming at provincial level | Bi-monthly |
| MEC/MMC: LED IGR SEDIBENG DISTRICT | SMART CITY | Quarterly |
| Municipal Finance Working Group | To discuss issues of implementing finances for municipalities at Provincial level | Bi-monthly |
| MEC / MMC Social | To collate and discuss information surrounding departmental projects | Quarterly |
| MEC/MMC: HEALTH (District & Prov.) | To discuss clinics and general health issues | Quarterly |
| Gauteng Waste Forum | To discuss Waste Management | Quarterly |
| EPWP (District & Prov.) | Environmental Management | Quarterly |
| Gauteng Petitions Forum | Petitions | Annually |
| GPL: Gauteng Speaker's Forum | Speaker's Forum | Quarterly |
| GPL: GSF CRC Forum | Citizen Responsibility Campaign | Quarterly |
| Gauteng IGR Practitioners Forum (COGTA & SALGA) | Province IGR | Quarterly |
| Premier's Co-ordinating Technical | Premier's & MM's forum | Quarterly |
| Gauteng Province Archives | Archives | Quarterly |
| Provincial Treasury CFO Forum/ Provincial Treasury Finance Indaba | To interact on a provincial level on matters related to legal compliance, financial reporting and other financial management issues and to propose financial management matters for discussion at MEC / MMC fora | Quarterly |
| Provincial Treasury Risk Management and Internal Audit Indaba | To interact on a provincial level on matters related to Risk Management and Internal Audit | Quarterly |
| SALGA Finance Working Group (Technical) | To establish a Local Government position on financial management matters (as representative of LG) | Bi-monthly |
| Provincial Treasury compliance monitoring meeting | To report on the municipality's level of compliance with the MFMA and Regulations | Quarterly |
| SALGA IGR Working Group | IGR | Quarterly |
| Provincial Treasury Budget Monitoring Meetings | To evaluate the Annual budget submission of the municipality as well as to review the mid-year performance of the municipality | Annually |
| Rand Water Board meeting | To compare the water results from the Municipalities in the Gauteng Region | Quarterly |
| DHC | Technical committee for DHC | Monthly |
| Social Development Technical Committee | Preparation for MEC and MMC'S Meeting | Quarterly |
| Community Development Working group | Technical-portfolio Community Development | Quarterly |

| | | |
|---|--|----------------------------------|
| Health and Social Development Working group | Technical-portfolio Health and Social Development | Quarterly |
| Netball planner Y IGR Technical | Provincial department and Midvaal Local Municipality; establish netball structures (Jerome Koeithing Sport & Recreation Officer attended) | As and When Required |
| Boxing Planner Y IGR Technical | Provincially formalise the boxing structures (Jerome Koeithing Sport & Recreation officer to attend) | As and When Required |
| Hub re-engineering IGR Technical (Provincial Sport Hub SRAC) | Memorandum of understanding between Provincial Government and Midvaal Local Municipality hosting the Provincial Sport at Sicelo stadium (Jerome Koeithing Sport & Recreation Officer attended) | As and When Required |
| OR Tambo Games | Midvaal Local Municipality Salga Committee is planning the OR Tambo games (Jerome Koeithing Sport & Recreation officer attended) | On-going |
| Gauteng Waste Forum (GDARD) | To strengthen co-operative governance on waste management in the Province and to share information on waste management best practices | Monthly |
| Environment & Culture Sector Meeting (EPWP) (GDARD) | EPWP reporting and management on environment | Quarterly |
| Infrastructure Sector Meeting (EPWP) (Department of Public works) | EPWP reporting and management on infrastructure | Quarterly |
| Inter-governmental Relations Forum: Infrastructure | To interact on matters related to Infrastructure | Quarterly |
| Fire & Emergency Sectional Heads (FESH) | All Fire and Emergency Section Heads meet with Gauteng Province on all sections of the Fire and Rescue Services and National issues | Monthly 3 rd Thursday |
| White Paper / Fire Brigade Act | Chief Fire Officers and Chairmen of task teams Nationally get together to workshop the White Paper for Standardisation of Fire Services and amending of the Fire Brigade Act | Bi –annually |
| Training / USAR | Management / training sections met with Province ensuring preparedness and readiness of personnel in case of any disasters | Monthly |
| GPGDED; MEC-MMC IGR MEETING | Proposed alignment of economic development initiatives, strategies and programmes - discussions with MMC and HOD's (ED's) Political | Quarterly |
| GPGDED; MEC-TEC IGR, MEETING | Proposed alignment of economic development initiatives, strategies and programmes - discussions with HOD's (ED's), Directors, More technical | Quarterly |
| GPG INFRASTRUCTURE DEVELOPMENT; MEC-MMC IGR | Alignment of provincial wide and cross border infrastructure programmes. Political discussion between MEC-MMC's (and HOD's) | Quarterly |
| GDARD MEC-MMC IGR FORUM | Environmental Conservation, agricultural development programme alignment. Political discussion between MEC-MMC's (and HOD's) | Quarterly |
| GDARD MEC-TEC IGR FORUM | Environmental Conservation, agricultural development programme alignment. Technical discussion between MEC- HOD's (and Dir) | Quarterly |
| GPG HOUSING MEC-MMC IGR MEETING | Alignment of housing sector, eradication of backlogs and improved service delivery. Political discussion between MEC-MMC's (and HOD's) | Quarterly |
| GPG HOUSING MEC-TEC IGR MEETING | Alignment of housing sector, eradication of backlogs and improved service delivery. Technical discussion between MEC- HOD's (and Dir) | Quarterly |
| SALGA LED WORKING GROUP | Forum to discuss and resolve issues in Local Government pertaining to LED. Political and Technical. Attended by MMC and ED (Dir/DD) | Quarterly T2.3.2 |

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Midvaal does not have any municipal entities

T 2.3.3

DISTRICT INTER-GOVERNMENTAL STRUCTURES

| IGR | Purpose | Frequency of meetings |
|--|--|-----------------------|
| District IGR: Administration | Corporate | Annually |
| Employment Equity Sub-committee | Preparatory work like research and doing technical work before the main forum meetings | Monthly |
| Sedibeng Section 80-Infrastructure | To collate and discuss information surrounding departmental projects | Monthly |
| Sedibeng Section 80-Transport | To collate and discuss information surrounding departmental projects | Monthly |
| Section 80-Development Planning and Housing | To discuss, research and report on projects and objectives with neighbouring municipalities | Monthly |
| Sedibeng Section 80-Environmental | To collate and discuss information surrounding departmental projects | Monthly |
| Sedibeng Section 80-Health and Social Development | To collate and discuss information surrounding departmental projects | Monthly |
| Sedibeng Section 80-Community Safety, SRAC and Heritage | To collate and discuss information surrounding departmental projects | Monthly |
| Sedibeng District Aids Council | To collate and discuss information surrounding departmental projects | Monthly |
| Joint PMT | To co-ordinate activities of the district and local municipalities | Quarterly |
| Sedibeng District Geographic Place Naming Committee – Section 79-Forum | Geographic Place Naming | Annually |
| Sedibeng District Petitions Committee Section 79 | Petitions | Annually |
| Sedibeng District Oversight forum | Oversight matters | As and when required |
| Sedibeng District Technical IGR forum | District IGR Technical Issues | Quarterly |
| Sedibeng MM's Forum | Municipal Managers in the district | Quarterly |
| Sedibeng Records Forum | Record-keeping | Bi-monthly |
| Sedibeng IGR Legal | Legal | Quarterly |
| Sedibeng District CFO Forum | To co-ordinate finance related matters within the district | Quarterly |
| Municipal Health Services (Sedibeng) | To discuss issues relating to Environmental Health | Once a month |
| District Reviews | Review Sub-District Performances | Quarterly |
| Sedibeng ECD Forum | ECD Service Plenary Meeting | Monthly |
| HAST | Turn-around Strategy for HIV Management | Monthly |
| Sedibeng HR/LR Forum | The forum is meant to promote the best Human Resources practices in the region, share information and map out strategies and interventions on matters of mutual interest | Monthly |

| | | |
|---|--|------------------|
| Human Resource Development Sub-committee | Preparatory work like research and doing technical work before the main forum meetings. Discuss reports from neighbouring municipalities | Monthly |
| Personnel Administration Sub-committee | Preparatory work like research and doing technical work before the main forum meetings. Discuss reports from neighbouring municipalities | Monthly |
| Labour Relations Sub-committee | Preparatory work like research and doing technical work before the main forum meetings. Discuss reports from neighbouring municipalities | Monthly |
| Individual PMS Sub-committee | Preparatory work like research and doing technical work before the main forum. Discuss reports from neighbouring municipalities | Monthly |
| Skill Development Forum Sub-committee | Preparatory work like research and doing technical work before the main forum meetings. Discuss reports from neighbouring municipalities | Quarterly |
| SRAC, Heritage & Community Safety Section 80 | Sedibeng District Council Section 80 Portfolio Committee | Monthly |
| Department of Roads and Transport Planning Meeting | To interact on matter related to roads planning in Midvaal, Emfuleni and Lesedi | Quarterly |
| SDM DISTRICT IGR MEETING IDP | Alignment of IDP's between municipalities and the District Municipality Political and technical discussions regarding IDP content and processes | Quarterly |
| SDM SECTION 80; HOUSING | Political/technical meeting to discuss items regarding district wide housing issues prior to tabling at District Council | Monthly |
| SDM SECTION 80; LED & TOURISM | Political/technical meeting to discuss items regarding district wide LED & Tourism related issues prior to tabling at District Council | Monthly |
| Kago-ya-bana Hollard Foundation Forum | Early Childhood Development (ECD) | Quarterly |
| IMPA forum | Municipalities Human Resources & Performance | Annually |
| Klipriver Forum | To report on the water quality by different stakeholders | Quarterly |
| IMT | Operational Management Meetings | Monthly |
| Organisational Development Sub-Committee | Preparatory work like research and doing technical work before the main forum meetings | Monthly |
| Sport & Recreation IGR Technical | Midvaal Local Municipality is part of the IGR and planning together for the sport programmes | Monthly Basis |
| Human Rights IGR Technical | Midvaal Local Municipality is part of the human rights task team in planning the Human Rights month programmes | January to March |
| Arts and Culture Technical | Midvaal Youth Stakeholder Forum | Quarterly |
| Water Quality Liaison Meeting | To monitor the quality of water that Rand Water sells to Midvaal. Also check TAPS programme in Midvaal. Discuss Blue-Drop Issues | Bi-monthly |
| Community Safety Forum | Community safety | Quarterly |
| Note: The municipality participates in District, Provincial as well as National IGR FORA as listed above | | |

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability.

Note: In summary on the overview of public accountability and participation, Council embarks extensively on ensuring public participation at its ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, the People's Assembly, Petitions Committee and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee is operational and measures are in place to protect personal information.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

All documents to be made public are placed on the municipal website. All public meetings are also advertised on the website. This includes Council meetings, Ward Committee Meetings, Budget and IDP meetings, Bid Adjudication Committee meetings etc. The Bid Adjudication Committee meetings (in respect of tenders) are open to the public.

The Council interacts with its stakeholders at Ward Committee, Budget and IDP meetings, the People's Assembly and many other meetings and gatherings. These engagements are ongoing throughout the year. Most meetings are well attended, resulting in meaningful engagement.

T 2.4.1

WARD COMMITTEES

Ward Committees have been established in all fifteen wards and all the ward committees are functional and meet according to the year planner (which is available on the website www.midvaal.gov.za).

Appendix E contains more detail on ward committee governance and Appendix F reflects ward information.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Meetings were held according to the year planner and most were well attended resulting in greater impact and effectiveness. Issues were listed and feedback was communicated to the community.

T 2.4.3.1

| Public Meetings | | | | | | | |
|--|------|-------------------|---|--|---------------------------------------|--------------------------|---|
| Nature and purpose of meeting | Ward | Date | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issue addressed (Yes/No) | Feedback given to community |
| LDAC Youth Against Drugs | 1 | 08-Jul-16 | 1 | 2 | 45 | Yes | Public Participation with different stakeholders |
| Corporate Services Road Show | 10 | 12-Jul | 2 | 2 | 93 | Yes | Public Participation with different stakeholders |
| Mamello Housing Project | 1 | 31-Aug-16 | 2 | 2 | 42 | Yes | Public Participation Housing and Sewer Issues were raised |
| Election of Ward Committee Members | 1 | 04-Sep-16 | 1 | 3 | 48 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 2 | 07-Sep-16 | 1 | 3 | 36 | Yes | WCM - were successfully elected |
| Registration of subsidy for RDP Houses | 1 | 10 - 11 Sept 2016 | 3 | 3 | 300 | Yes | Subsidy registration went well |
| Election of Ward Committee Members | 4 | 11-Sep-16 | 2 | 2 | 63 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 3 | 14-Sep-16 | 2 | 3 | 40 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 8 | 18-Sep-16 | 2 | 3 | 218 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 14 | 21-Sep-16 | 1 | 2 | 33 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 5 | 28-Sep-16 | 2 | 2 | 74 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 10 | 05-Oct-16 | 3 | 3 | 257 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 6 | 09-Oct-16 | 4 | 3 | 233 | Yes | WCM - were successfully elected |
| IDP Public Meeting | 5 | 11-Oct-16 | 6 | 8 | 37 | Yes | All issues were addressed |
| Election of Ward Committee Members | 7 | 12-Oct-16 | 1 | 2 | 8 | Yes | WCM - were successfully elected |
| IDP Public Meeting | 11 | 13-Oct-16 | 7 | 6 | 178 | Yes | All issues were addressed |
| Election of Ward Committee Members | 12 | 16-Oct-16 | 2 | 2 | 107 | Yes | WCM - were successfully elected |
| IDP Public Meeting | 4 | 18-Oct-16 | 7 | 7 | 44 | Yes | All issues were addressed |
| Election of Ward Committee Members | 9 | 19-Oct-16 | 2 | 2 | 31 | Yes | WCM - were successfully elected |
| IDP Public Meeting | 1 | 22-Oct-16 | 8 | 8 | 84 | Yes | All issues were addressed |
| IDP Public Meeting | 12 | 23-Oct-16 | 8 | 4 | 67 | Yes | All issues were addressed |
| Election of Ward Committee Members | 15 | 30-Oct-16 | 2 | 3 | 25 | Yes | WCM - were successfully elected |
| Election of Ward Committee Members | 9 | 01-Nov-16 | 6 | 5 | 49 | Yes | All issues were addressed |
| IDP Public Meeting | 2 | 02-Nov-16 | 4 | 3 | 18 | Yes | All issues were addressed |
| IDP Public Meeting | 13 | 03-Nov-16 | 9 | 4 | 53 | Yes | All issues were addressed |

| | | | | | | | |
|---|--------|-----------|----|----|-----|-----|---|
| Public Meeting about Sports Field Project | 6 | 04-Nov-16 | 3 | 4 | 121 | Yes | All issues were addressed |
| Election of Ward Committee Members | 11 | 06-Nov-16 | 3 | 3 | 127 | Yes | WCM - were successfully elected |
| Feedback Public Meeting | 4 | 08-Nov-16 | 1 | 2 | 56 | Yes | All issues were addressed |
| Election of Ward Committee Members | 13 | 09-Nov-16 | 2 | 3 | 40 | Yes | WCM - were successfully elected |
| IDP Public Meeting | 7 | 15-Nov-16 | 7 | 4 | 40 | Yes | All issues were addressed |
| IDP Public Meeting | 3 | 16-Nov-16 | 4 | 3 | 35 | Yes | All issues were addressed |
| IDP Public Meeting | 6 | 19-Nov-16 | 8 | 5 | 133 | Yes | All issues were addressed |
| IDP Public Meeting | 15 | 22-Nov-16 | 8 | 4 | 27 | Yes | All issues were addressed |
| 2nd IDP Public Meeting Jakkalsdraai | 1 | 23-Nov-16 | 7 | 4 | 74 | Yes | All issues were addressed |
| Induction of Ward Committee Members | | 03-Dec-16 | 11 | 5 | 107 | | Ward Committee Inducted |
| Farmers Engagement | | 06-Dec-16 | 7 | 2 | 113 | | Successful engagement with Farmers |
| Faith Based Forum | | 06-Dec-16 | 7 | 2 | 84 | | Successful engagement with FBO |
| Public Meeting | 10 | 15-Dec-16 | 2 | 1 | 69 | | MMC Road Show |
| De Deur Precinct Plan | 11 | 31-Jan-17 | 5 | 6 | 187 | | The precinct plan was discussed in detail |
| IDP Public Meeting | 10 | 06-Feb-17 | 9 | 8 | 235 | | All issues were addressed |
| IDP Public Meeting | 8 | 07-Feb-17 | 9 | 9 | 252 | | All issues were addressed |
| Public Meeting | 8 | 19-Feb-17 | 2 | 3 | 128 | | Numbering of Shacks with Urban Metro Service Provider |
| Public Meeting | 2 | 13-Mar-17 | 1 | 3 | 82 | | New developments / town houses |
| Public Meeting | 6 | 18-Mar-17 | 3 | 4 | 170 | | Sports field development |
| Public Meeting | 4 | 19-Mar-17 | 1 | 2 | 80 | | Feedback Public Meeting |
| Public Meeting | 1 | 28-Mar-17 | 3 | 3 | 115 | | RDP Housing Project |
| Public Meeting | 9 | 11-Apr-17 | 1 | 2 | 42 | | Introduction of Ward Committee Members |
| Budget Public Meeting | 8 | 18-Apr-17 | 9 | 10 | 254 | | Budget presented and discussed |
| Budget Public Meeting | 4 & 15 | 19-Apr-17 | 8 | 6 | 40 | | Budget presented and discussed |
| Budget Public Meeting | 10 | 20-Apr-17 | 8 | 6 | 112 | | Budget presented and discussed |
| Public Meeting | 5 | 22-Apr-17 | 2 | 2 | 58 | | Feedback Public Meeting |
| Budget Public Meeting | 6 | 24-Apr-17 | 8 | 9 | 182 | | Budget presented and discussed |
| Budget Public Meeting | 11 | 02-May-17 | 8 | 6 | 93 | | Budget presented and discussed |
| Public Meeting | 7 | 10-May-17 | 1 | 3 | 32 | | Precinct Plan |
| State of the Municipality Address | All | 10-May-17 | 10 | 14 | 430 | | The event was a success - Discussed the state of the Municipality |
| Public Meeting | 15 | 23-May-17 | 1 | 0 | 116 | | Feedback Public Meeting |

| | | | | | | | |
|---------------------------------|-----|-----------|----|----|-----|--|---|
| Block House Event | All | 31-May-17 | | | | | The event was a success |
| Public Meeting | 1 | 11-Jun-17 | 26 | 26 | 327 | | New development for Early Childhood Development (ECD) |
| Public Meeting | 8 | 13-Jun-17 | | 5 | 81 | | Feedback Public Meeting with Sicelo Youth Transformation Movement |
| Speakers' Stakeholders Dialogue | All | 15-Jun-17 | 7 | 5 | 154 | | The event was a success |
| T 2.4.3 | | | | | | | |

2.5 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|--|---------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers? | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 of Municipal Systems Act 2000 | T 2.5.1 |

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

In Midvaal, the principles of good corporate governance as expounded in the King III report are embraced and applied within the organisation. To the extent that these King III principles are not directed by legislation (e.g. the MFMA and Municipal Systems Act), they are applied as far as possible in the context that these principles indicate the “right way to do things”. These principles relate amongst others to ethical governance, implementation of controls to prevent fraud and corruption, management of risk, etc.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Enterprise wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This gives the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and the Ethics and Risk Charter was approved on 25 May 2017. A new policy is currently being compiled and will be submitted for approval during September 2017.

The Strategic Risk Register is fully aligned to the IDP and SDBIP of the Municipality and all the objectives of the IDP are addressed.

The Technical Risk Committee (chaired by the Chief Risk Officer) was fully functional during the year under review. A new Chief Risk Officer was appointed by the municipality with effect from 1 May 2017. The Risk Committee consists of Risk Management Coordinators which are senior personnel in each department in the municipality. The risk champions underwent the National Treasury risk management training during the year and they are now fully functional.

The departmental risk champions submit status quo reports to the Risk Management Committee (oversight) on a quarterly basis indicating what actions have been taken to mitigate the risks. The Risk Management Committee is attended by the Chairperson of the Audit Committee and the items raised at the Risk Management Committee are also discussed at the Audit Committee when appropriate. Quarterly Reports are submitted to Council on the progress on management of strategic and operational risks. Risk Management is audited by the internal auditors for completeness and effectiveness on an annual basis. The five top strategic risks identified after the completion of the IDP are:

1. Inability to create an environment that attracts investors and employment opportunities.
2. Escalating crime levels.
3. Lack of sufficient infrastructure for development in Midvaal.
4. Water supply insecurity.

In addition, the implementation of the National Treasury MFMA Regulations on a Standard Chart of Accounts for municipalities which will be implemented on 1 July 2017 will be an operational risk in the next year due to resource limitations (both in terms of human resource capacity and IT capacity) and the impact on change management within the municipality. This has been included in the risk registers for the 2017/2018 financial year.

T2.6.1

2.7 ANTI-FRAUD & CORRUPTION

ANTI-FRAUD AND CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 Section 83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

The approved and implemented Anti-Fraud & Corruption Plan & Policy is annually reviewed and considered by Council.

Council's stance is zero tolerance to fraud and corruption and in line with this, the efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The main principles upon which this Plan of Midvaal is based are aligned to the Local Government Anti-Corruption Strategy (LGASC). The main principles include the following:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etc; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The components of the Plan includes the following:

1. Focus on the Organisation;
2. Focus on Employees;
3. Focus on other stakeholders;
4. Enforcement;
5. Implementation.

All staff, including senior management and councillors are obliged to declare specific personal assets and private business interests on an annual basis, such as:

1. Shares and other financial interests (not bank accounts with financial institutions);
2. Directorships and partnerships (also those held by spouse and family members);
3. Remunerated work outside the municipality;
4. Consultancies and retainerships;
5. Sponsorships;
6. Gifts and hospitality from a source other than a family member (exceeding the value of R350 over a 12 month period) - annually audited
7. Land and property registered in their name;
8. Vehicle(s) owned (vehicles registered in their name);
9. Participation in elections.

Apart from various other departmental related policies and procedures, the following measures are in place to prevent any possible irregular activities:

1. When advertising vacancies, potential candidates are cautioned that only people with the highest level of personal integrity will be considered and that submission to appropriate pre-employment

- screening processes are obligatory;
2. Compulsory probation periods (minimum of three months) are applicable to all full-time employees;
3. Employee induction programmes are presented to all newly appointed staff to introduce the culture and ethos of the organisation.
4. All employees are compelled to take annual leave in terms of the Conditions of Service;
5. Exit interviews are in place, which include the assessment of the perceptions of the business ethics and conduct standards within Midvaal.

Apart from other mechanisms in place for the reporting of any unethical, fraudulent or corrupt activities, is the outsourced fraud reporting hotline, 0860-268-624.

Council has a very strong attitude towards legislative compliance, specifically supply chain management principles, and also the proper functioning of the Performance and Audit Committee, without councillor and/or political interference. All positive results are reported to the SAPS where required, for further investigation and prosecution.

Midvaal endeavours to be consistent and efficient in its application of disciplinary measures.

Thirty Four (34) reports were received via the Anti-Fraud & Corruption Hotline compared to the 22 for the previous financial year. The status is reported as follows:

| | |
|--|----|
| Number of reports received: | 34 |
| Number of reports detected (Finalised) | 14 |
| Number of reports undetected (Finalised) | 12 |
| Under investigation | 7 |
| Insufficient Information | 0 |
| Others | 1 |
| % Detected | 41 |

The primary transgressions are summarised as follows:

1. Misuse/Abuse of Council's assets and resources;
2. Theft of electricity / water;
3. Theft of fuel / assets;
4. Bribery;
5. Collusion with service providers;
6. Conflict of Interest;
7. Procurement irregularities;
8. Financial Misconduct.

The relevant remedial actions, according to Council's Policy, were initiated, i.e. disciplinary action, civil recovery and criminal prosecution. The financial misconduct transgressions were also considered by the Disciplinary Board and appropriate recommendations were submitted to Council.

The second phase of the Memorandum of Understanding (Collaboration on a Municipal Integrity Management Support Project) entered during January 2016 with The Ethics Institute, is still continuing. The agreement ends in September 2019.

The identified ethical gaps and opportunities are being addressed and quarterly progress reporting is done via the Ethics & Risk Management Committee.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT(SCM)

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Supply Chain Management Processes are being updated on an ongoing basis to ensure full compliance with the MFMA and the Regulations issued under the MFMA. The Head of Supply Chain is in full compliance with the MFMA Regulations on Minimum Competency levels.

The SCM policy was again reviewed during 2016/2017 and was tabled to Council on the 26th May 2016. To further strengthen controls, the policy dealing with the acceptance of grants, donations and sponsorships was again reviewed during the year. This policy will guide all SCM role-players relative to sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of Supply Chain was submitted to Council on the 18th July 2017 as per Regulations 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials. The structure caters for all elements of SCM with a number of 15 officials within the unit and 3 vacancies. Ongoing training and workshops are provided by Provincial Treasury to SCM officials.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are open to the public and no councillors serve on any SCM committee. Contract Management is being adhered to as stipulated in section 116 of the MFMA. The capacity of the SCM database is currently on 1 600 suppliers and is updated on a regular basis. The last update had taken place on the 30th June 2017.

A total of 43 full bids and 33 formal written quotations were processed during the year under review. The average turnaround time on the awarding of bids is 80 days. Deviations from policy must comply with the requirements and be reported to Council. In the cases that this occurred, it was for justifiable reasons and all such cases were reported to Council.

Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

The majority of items mentioned had to be addressed in short notice and the response times did not allow for the complete procurement process to be followed. The balance of items were due to emergency circumstances or uneconomic benefits for the municipality.

| Class | 2017 | 2016 |
|---|-------------------|-------------------|
| Emergency | 6 557 273 | 3 228 677 |
| Sole Suppliers | 4 131 986 | 8 351 293 |
| Impractical or impossible to follow the process | 50 711 278 | 17 351 205 |
| Special work of art | 629 864 | 4 500 |
| | <u>62 030 401</u> | <u>28 935 675</u> |
| The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management. | | T 2.8.1 |

2.9 BY-LAWS

| By-laws Introduced during 2016/2017 | | | | | |
|-------------------------------------|--|--|-------------------------------|----------------------------|---------------------|
| Newly Developed | Revised | Public Participation Conducted Prior to Adoption of By-Laws (Yes/No) | Dates of Public Participation | By-Laws Gazetted* (Yes/No) | Date of Publication |
| Yes | Spatial Planning and Land Use Management | Yes | 16 Jan 2017 | Yes | 15 Mar 2017 |
| | Standing Orders | Yes | 17 Feb 2016 | Yes | 17 Aug 2016 |
| T 2.9.1 | | | | | |

COMMENTS ON BY-LAWS

Note: MSA 2000 Section 11(3)(m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The amendment or approval of the above mentioned by-laws were approved by the Council. Comments on the amendments or new by-laws were invited from the public through:

1. Advertisements on notice boards at all the libraries, head office and satellite offices of the Municipality.
2. Advertisements in the local newspapers namely the Midvaal Ster and Sedibeng Ster.
3. Notices on the municipal website, www.midvaal.gov.za. The by-laws are enforced by the officials of the different departments.

At present, no dedicated by-law unit has been established. Work has been done regarding the revision of the by-law on informal trade in the Midvaal area. These proposed amendments are to be considered by Council in the 2017/2018 financial year.

T2.9.1.1

2.10 WEBSITES

| Municipal Website: Content and Currency of Material | | |
|---|----------|-----------------|
| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
| Current annual and adjustments budgets and all budget-related documents | Yes | 26-May-17 |
| All current budget-related policies | Yes | 26-May-17 |
| The previous Annual Report (2015/16) | Yes | 27-Jan-17 |
| The Annual Report (2016/17) published/to be published | Yes | 30-Aug-17 |
| All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards | Yes | 5-Jul-16 |
| All service delivery agreements (2016/17) | Yes | 1-Jul-16 |
| All long-term borrowing contracts (2016/17) | Yes | 1-Jul-16 |
| All supply chain management contracts above a prescribed value for 2016/17 | Yes | 1-Jul-16 |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1 | Yes | 30-Jun-17 |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | Yes | 30-Jun-17 |
| Public-private partnership agreements referred to in section 120 made in (2016/17) | Yes | 30-Jun-17 |
| All quarterly reports tabled in the Council in terms of Section 52(d) during (2016/17) | Yes | |
| 1st Quarter | Yes | 15-Oct-16 |
| 2nd Quarter | Yes | 27-Jan-17 |
| 3rd Quarter | Yes | 25-Apr-17 |
| 4th Quarter | Yes | 30-Jun-17 |
| <i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i> | | |
| T 2.10.1 | | |

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Midvaal's website complies with all requirements of Section 75 of the MFMA. The Council's website address is www.midvaal.gov.za.

All Council's Libraries have computers with free internet access through which the public has access to Council's website and the information thereon e.g. Meyerton, De Deur, Henley on Klip, Daleside and Sicelo Libraries.

T 2.10.1.1

2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Certain surveys are undertaken internally on a quarterly basis, and are based on a random sample of at least 10% of complainants. The surveys intend to establish the satisfactory resolution of complaints as far as is practical and realistically feasible, and with the ultimate goal of addressing community needs.

With reference to the survey, 81 % of the Midvaal public is satisfied with services delivered

T 2.11.1

| Satisfaction Surveys Undertaken during: 2016/17 | | | | |
|---|---------------------|-------------|-------------------------------------|---|
| Subject matter of survey | Survey method | Survey date | Number of people included in survey | Survey results indicating satisfaction or better (%)* |
| Overall satisfaction with: | | | | |
| (a) Municipality | Telephonic | 30.06.2017 | 1 250 | 85% |
| (b) Municipal Service Delivery | Telephonic | | 1 250 | 85% |
| (c) Mayor | | | | |
| Satisfaction with: | | | | |
| (a) Refuse Collection | Complaints Register | 30.06.2017 | 364 | 85% |
| (b) Road Maintenance | Complaints Register | | 608 | 84% |
| (c) Electricity Supply | Complaints Register | | | |
| (d) Water Supply | Complaints Register | | | |
| (e) Information supplied by municipality to the public | Complaints Register | | 883 | 71% |
| (f) Opportunities for consultation on municipal affairs | | | | |
| * The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory | | | | T 2.11.2 |

Concerning T 2.11.2:

- Sample size of other complainants: 1 250 (other is already factored in onto the total in the above table)
 - The percentage satisfied: 85%
 - Other service delivery areas include issues such as overgrown stands, illegal businesses operating in our areas
 - Petitions are also accepted
- T 2.11.2.1**

COMMENTS ON SATISFACTION LEVELS

- Public is invited to complain via the Complaints Desk, the website, e-mail or walk-in's
 - Other complaints are received via the Premier's Hotline and Presidential Hotline
 - Complaints / enquiry numbers are listed on the external newsletter known as the Midvaal News
 - A toll free telephone facility has been installed in Sicelo and Lakeside to enable the community members to communicate much more conveniently with the municipality on issues relevant to service delivery
- T2.11.2.2**

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Services rendered by Midvaal include water, waste-water (sanitation), electricity, waste management and housing services.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes water, waste-water (sanitation), electricity, waste management, housing services and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

There are a large number of households located in informal areas, where water is delivered by water tanker trucks or stand pipes, but sanitation is restricted to biochemical installations, chemical toilets and other systems of sanitation. Formal areas should be developed where services can be provided in an economically sustainable way. Some of the rural areas utilise boreholes to provide water for consumption.

T 3.1.0

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Water Section work

The potable water supply services consist of the bulk water purifications, bulk water distributions to water storage reservoirs, reticulations to different levels of consumers and metering of individual consumer's consumption and customer services. A water section involves nine categories of operations and maintenance work. These are water leak repairs, installation of water meters, responding to water meter leakages, water pump stations operation and maintenance, pressure reducing valve operations and maintenance, water storage reservoirs operations maintenance and water treatment plant operations and maintenance as well as potable water quality management.

It is also responsible for the water services provision that is measured through the Blue Drop certification process which is administered by the Department of Water and Sanitation. This feeds into the Blue Drop System (BDS) which informs the Department of Water and Sanitation about the quality of water service provision in Midvaal as well as the water service provision risk profile. It is also involved in the revenue protection services of the municipality in conjunction with Midvaal's Department of Finance.

Approximately 29 852 households are provided bulk water from the two bulk potable water purification works namely Vaal Marina water purification works owned by Midvaal and Zuikerbosch water purification plant owned by Rand Water Board. Raw water is extracted from the Vaal River and pumped into the two water purification works. Midvaal has appointed Rand Water to operate the Vaal Marina purification works on its behalf. The Vaal Marina water purification works has a design capacity of 10 mL/day and is currently operating within its design capacity. It delivered the average 2 mL/day and the balance of the bulk water was supplied by Rand Water Zuikerbosch Plant. Midvaal entered into the service level agreement which is used to evaluate the performance of the service provider.

Purified water is pumped into different reservoirs owned by Midvaal and reticulated to households through pipelines. All households within developed urban and peri-urban areas are supplied with a water meter which is used to

determine the quantity of water consumed by the particular household. Informal settlements that are not reticulated receive water through the mobile water tankers and public stand pipes. Plastic tanks positioned around the settlements are used as a storage point for the community to fetch water.

Complaints

The Engineering Services Department manages and administers the public complaints through the complaints desk during working hours and is supported by fire services after hours. The complaints received are escalated to operating teams in water services for attendance. Complaints are either registered by the public telephonically or lodged in person. Operating teams attend to registered complaints as per priority depending on the work load for the day. The complaints include pipe bursts, water meter leaks, faulty meters, water shortages, etc.

Water quality and risk management Blue Drop

Engineering Services have two complementary sampling programs. One is done in partnership with Rand Water which is only the TAPS program while the other is conducted by an external service provider which includes water quality management from catchment to consumer points. The quality of the potable water supplied conformed to the standards of drinking water quality regulated by the Department of Water Affairs. The average potable water quality compliance is 99 % in terms of SANS 0241.

Other TAP samples are analysed by Rand Water in their accredited laboratories while the remainder of the samples are analysed by the contractor's laboratory in their accredited laboratories. This data is uploaded into the Blue Drop System (BDS) which is administered by the Department of Water and Sanitation. Meetings are held on a quarterly basis with Rand Water and DWS to discuss water quality matters as well as Blue Drop regulatory framework matters. These fora provide platforms for discussing in detail various issues such as safety of water supply, which is called a water safety plan, water quality, water supply infrastructure maintenance programs, service level agreements, chlorine levels, communication protocols and the TAP sampling programme.

There is also a water safety plan that is reviewed once a year. This has a risk register that must be implemented and reported. The maintenance of pump stations, pressure release valves (PRVs) and reservoir cleaning are sourced from this register.

Revenue protection and water conservation

The Water Section also helps revenue protection by attending to water leaks and maintenance of reservoirs and pressure release valves (PRVs) which further prevents water losses. The water section also helps with troubleshooting of meters.

The approved five-year water demand management plan is being implemented. Below are water loss/non-revenue water reduction plan projects implemented to reduce water loss.

Indigent households water leaks repair

A service provider was appointed to conduct a water leaks audit in all indigent households within Midvaal and repair the leaks detected. Water leaks were repaired on 112 indigent household properties.

Pipe Replacement Programme

4.08 km of old asbestos cement and corroded steel water network pipeline ranging from 75 mm diameter to 315 mm have been replaced with uPVC pipes in the following areas:

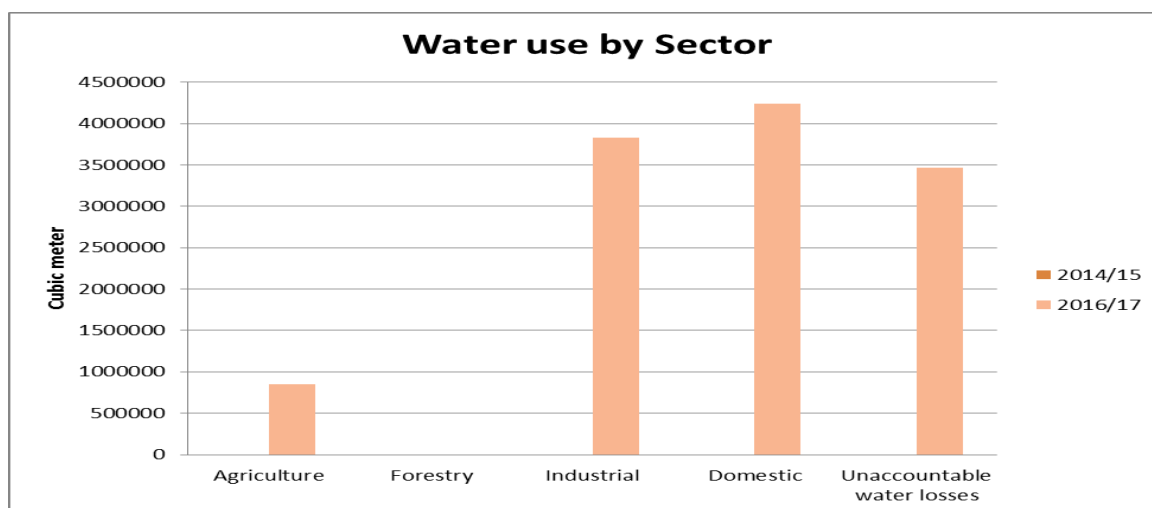
| | |
|------------------------|-------------------------------|
| Joos Williamson Street | 1.08 km length of 315 mm size |
| Marble Road | 1.30 km length of 200 mm size |
| Marble Road | 1.30 km length of 75 mm size |
| Riversdale | 0.40 km length of 200 mm size |

Bulk and Residential Water Meters Installation & Replacement

40 old bulk water meters and 1 200 old residential water meters were replaced in various areas to address the high water loss challenges, as well as the water meter inaccuracies.

T3.1.1

| Total Use of Water by Sector (cubic meters) | | | | | |
|---|-------------|----------|------------|-----------|----------------------------|
| | Agriculture | Forestry | Industrial | Domestic | Unaccountable water losses |
| 2014/15 | 504 770 | 0 | 4 206 908 | 6 000 241 | 4 325 543 |
| 2015/16 | 519 307 | 0 | 3 889 514 | 4 184 370 | 714 189 |
| 2016/17 | 854 369 | 0 | 3 828 637 | 4 235 174 | 3 470 135 |
| T 3.1.2 | | | | | |



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR

Although there are many farms in the municipal area, most do not use municipal water. The water allocated to agriculture is thus low. The biggest portion of the water demand is evenly spread between domestic and industrial. Water demand for both of these sectors will rise in the near future seeing that there are plans for both industrial and housing developments, especially on the R59 corridor and Savannah City Developments.

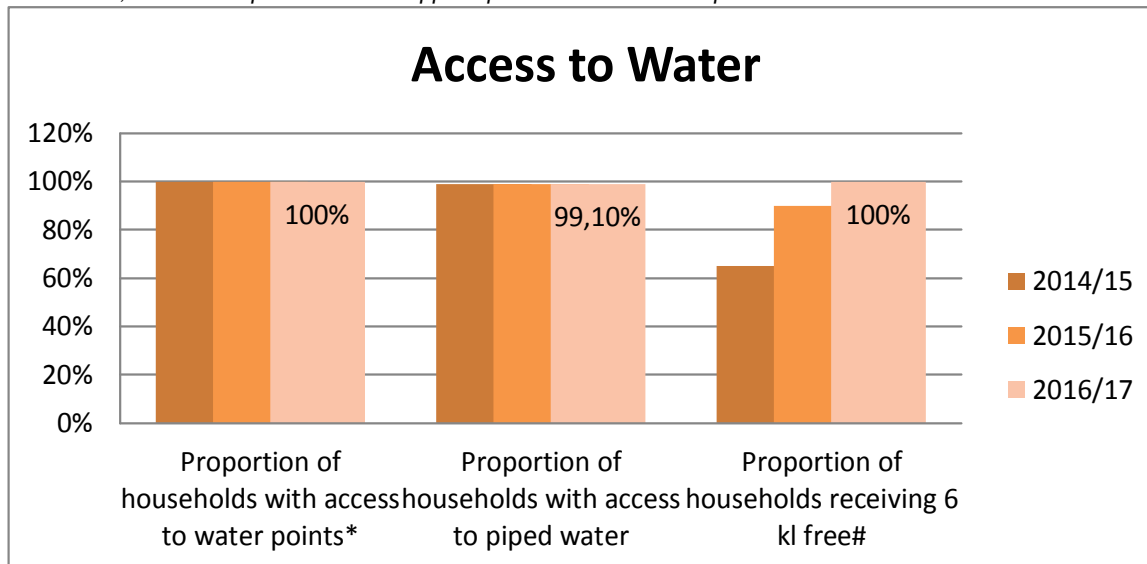
T 3.1.2.2

| Water Service Delivery Levels | | | | |
|--|---------------|---------------|---------------|-----------------------|
| Description | 2013/14 | 2014/15 | 2015/16 | Households 2016/17 |
| | Actual | Actual | Actual | Actual |
| | No. | No. | No. | No. |
| Water (above min level) | | | | |
| Piped water inside dwelling | 21 046 | 21 251 | 22 100 | 23 269 |
| Piped water inside yard (but not in dwelling) | 438 | 438 | 438 | 438 |
| Using public tap (within 200 m from dwelling) | 5 892 | 5 892 | 5 153 | 3 984 |
| Other water supply (within 200 m) | 1 892 | 1 892 | 1 892 | 1 892 |
| Minimum Service Level and Above sub-total | 29 268 | 29 473 | 29 583 | 29 583 |
| Minimum Service Level and Above Percentage | 98% | 99% | 99% | 99% |
| Water (below min level) | | | | |
| Using public tap (more than 200 m from dwelling) | 584 | 379 | 269 | 269 |
| Other water supply (more than 200 m from dwelling) | – | – | – | – |
| No water supply | – | – | – | – |
| Below Minimum Service Level sub-total | 701 | 379 | 269 | 269 |
| Below Minimum Service Level Percentage | 2% | 1% | 1% | 1% |
| Total number of households* | 29 969 | 29 852 | 29 852 | 29 852 |
| * - To include informal settlements | | | | T 3.1.3 |

| Households | | | | | | |
|--|---------|---------|---------|-----------------|-----------------|----------------|
| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | Number | Number | Number | Number | Number | Number |
| Formal Settlements | | | | | | |
| Total households | 26 086 | 26 291 | 27 140 | 28 309 | 28 309 | 28 309 |
| Households below minimum service level | - | - | - | - | - | - |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| Informal Settlements | | | | | | |
| Total households | 3 766 | 3 561 | 3 561 | 3 561 | 3 561 | 3 561 |
| Households ts below minimum service level | 584 | 379 | 379 | 269 | 269 | 269 |
| Proportion of households below minimum service level | 26% | 11% | 0% | 0% | 0% | 0% |
| | | | | | | T 3.1.4 |

| Access to Water | | | |
|-----------------|---|---|---|
| | Proportion of households with access to water points* | Proportion of households with access to piped water | Proportion of households receiving 6 kl free# |
| 2014/15 | 100% | 99% | 65% |
| 2015/16 | 100% | 99,10% | 90% |
| 2016/17 | 100% | 99,10% | 100% |
| T 3.1.5 | | | |

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute # 6,000 litres of potable water supplied per formal connection per month



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute # 6,000 liters of potable water supplied per formal connection per month

T 3.1.5

| Water Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|----------------------|--------|--------------------|--------------------|--------|----------------------|--------------------|---------------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | Actual | Actual | Target | Target | Target |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| See Annexure T | | | | | | | | | |
| <p>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue drop water status as set out by the Water & Sanitation department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p> | | | | | | | | | |
| T 3.1.6 | | | | | | | | | |

| Employees: Water Services | | | | | |
|---------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | | 0 | | 0% |
| 4 - 6 | 4 | 7 | 5 | 2 | 40% |
| 7 - 9 | 8 | 17 | 11 | 6 | 55% |
| 10 - 12 | 7 | 6 | 4 | 2 | 50% |
| 13 - 15 | 24 | 29 | 27 | 2 | 7% |
| 16 - 18 | - | | | | 0% |
| 19 - 20 | - | | | | 0% |
| Total | 43 | 59 | 47 | 12 | |

T3.1.7

| Financial Performance 2016/17: Water Services | | | | | |
|---|---------|-----------------|-------------------|---------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 161 383 | 196 501 | 190 912 | 195 361 | 2% |
| Expenditure: | | | | | |
| Employees | 11 170 | 13 496 | 11 894 | 11 731 | -1% |
| Repairs and Maintenance | 4 615 | 5 302 | 4 739 | 4 681 | -1% |
| Other | 122 974 | 131 809 | 128 226 | 127 377 | -1% |
| Total Operational Expenditure | 138 759 | 150 607 | 144 859 | 143 789 | -1% |
| Net Operational Expenditure | 138 759 | 150 607 | 144 859 | 143 789 | -1% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.1.8 |

| Capital Expenditure: Water Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Sicelo/Highbury (Valley Settlements) Reservoir | | 1 444 | 1 444 | 0% |
| Water loss programme | | | | |
| Sicelo/highbury valley settlements | | 307 | 307 | |
| Water Loss Programme-Pipe Replace | 5 500 | 5 579 | 4 322 | -23% |
| Water Loss Programme | 2 600 | 2 600 | 2 412 | -7% |
| Water Meter Replacement Programme | 500 | 500 | 485 | -3% |
| Sicelo/Highbury Reservoir & Mains | 300 | 300 | 250 | -17% |
| Sicelo/Highbury (Valley Settlements) Reservoir | 10 000 | 8 707 | 8 707 | 0% |
| Mamello Bulk Water (MIG) | | 1 204 | 1 203 | 0% |
| Total | 18 900 | 20 640 | 19 130 | -7% |

T3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The IDP and budget are linked and therefore IDP targets are attainable. Performance targets were met for the current year. The portion of the budget which was spent amounts to 92.68%.

T3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

WASTE- WATER (SANITATION) PROVISION

The provision of sanitation services is broken down into waterborne (flush toilets) systems connected to the sewer system which drains to a sewer pump station where waste is pumped to various Waste-Water Treatment Works (WWTW) for purification, before it is discharged into the river and waterborne-system connected to septic tanks which are emptied on a frequent basis for disposal at Waste-Water Treatment Works as well as chemical toilets, Ventilated Improved Pit (VIP) toilets, and pit latrines, which are maintained on a regular basis. The pit toilet sanitation system is regarded as the lowest level of service which is not an acceptable standard and the waterborne-system connected to the WWTW is highest.

The Midvaal area does not have a bucket sanitation system.

Water borne (Flush toilets) connected to sewerage

There are 23 115 households with flush toilets connected to a waterborne system (septic tank and infra-structure sewerage system). Waste-water is collected from households that are connected to the system through the reticulation pipelines into different smaller sewer pump stations around the municipality. These pump stations are pumping into the main sewer pump station which is Rothdene Sewer Pump-station that pumps to the Meyerton Waste-water Treatment-works. There are 35 sewer pump stations within the municipality and their conditions differ from fair to good. One sewer pump-station, namely Klipriver Sewer Pump-station, was refurbished during the 2016/2017-financial year.

There are four Waste-water Treatment-works within Midvaal: Meyerton WWTW, Vaal Marina WWTW, Ohenimuri WWTW and Eye of Africa WWTW.

Meyerton WWTW is the largest in the municipality and has a design capacity of 10 mL/day. The works is currently being upgraded to 25 mL/d capacity. It services the areas of Meyerton, Daleside, Sicelo, Meyerton Farms, Kliprivier, Rothdene, Henley on Klip, Riversdale, Rust ter Vaal/Roshnee (Emfuleni). The plant currently treats an average dry weather flow of 8.71 mL/day and 12 mL/d average wet weather flow. A total of 3 179 129 kl (3 179 mL) was treated during the 2016/17-financial year. There is currently unacceptably high levels of COD, phosphates, Ammonia, etc. that are discharged into the Fourie Spruit. This resulted in conflicts between Midvaal and the adjacent property owners who claim that their animals and eco-system at large are negatively impacted by this.

Ohenimuri WWTW has a design capacity of 0.5 mL/day. It services the areas of Walkerville. The plant is operating within its design capacity. The plant is in a fairly health state and it is complying with the prescripts of Department of Water & Sanitation for waste-water effluent. During the 2016/2017-financial year, flow meters were installed to measure the incoming influent to the plant and the outgoing effluent discharged from the plant.

Vaal Marina WWTW has a design capacity of 2 mL/day. It services the areas of Vaal Marina. The plant is operating within its design capacity. The plant is in fairly health state and it is complying with the prescripts of DWA for waste-water effluent. A total of 44 156 kl (44 mL/d) was treated during the 2016/17-financial year. The plant currently treat an average dry weather flow of 0.2 mL/d.

Flush toilets connected to Septic tanks

There are 12 358 households with flushing toilets that are connected to septic tanks. These tanks are the property of individual households which are responsible for their operation and maintenance. These are mainly found in areas where there are no municipal sewer reticulation services. Midvaal assisted these households with the emptying of tanks as and when they were full and a tariff was levied against such households requiring emptying.

Chemical toilets

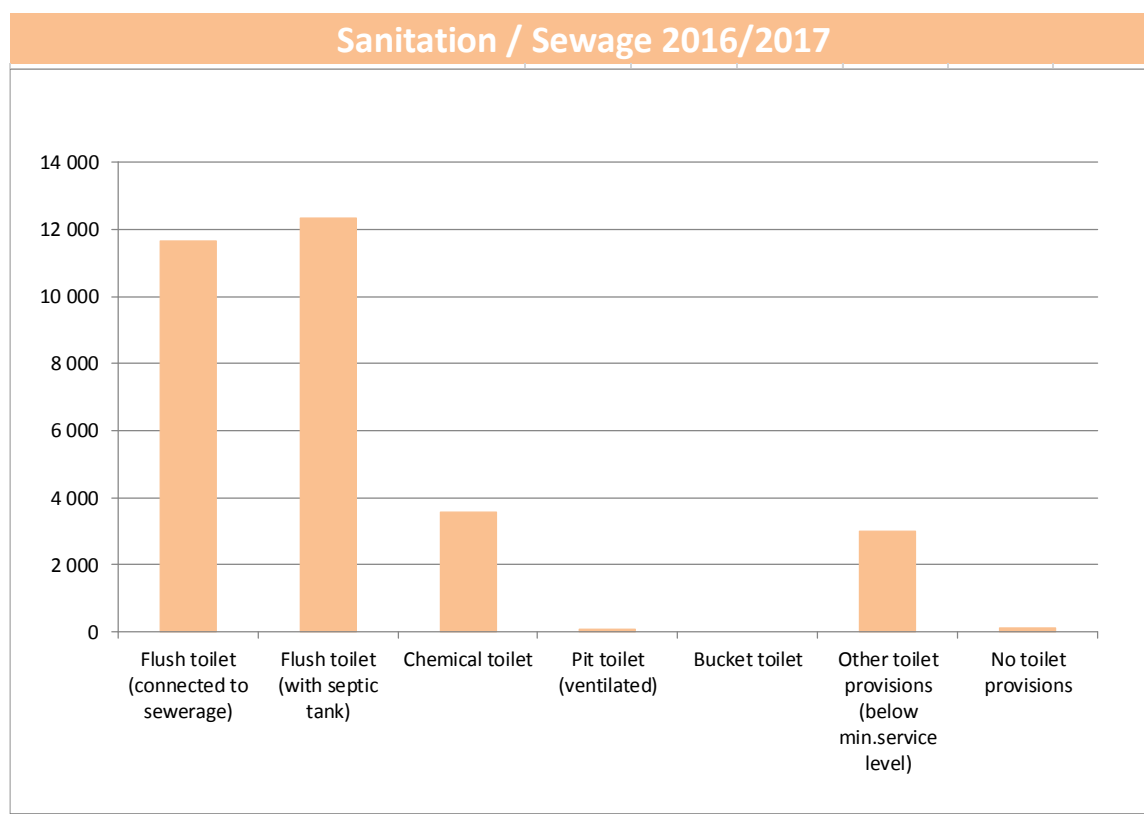
There are 3 561 households that are connected to chemical toilets. These are mainly found in areas where there are no municipal sewer reticulation services. Owners are advised through the Engineering land use section to provide their own mode of sanitation of which the chemical toilets system is still the preferred choice due to low maintenance requirements.

Ventilated Improved Pit (VIP) toilets

There are 92 households provided with VIP toilets. This system of sanitation is found in areas where there is neither a sewerage system nor enough water to transport the waste. It is normally well designed to meet the minimum standards as prescribed by the Department of Water and Sanitation. The operation and maintenance of the system is the sole responsibility of the property owner.

Shared toilet facilities (informal areas): There are 2 006 informal households that are provided with toilet facilities that are used on a shared basis.

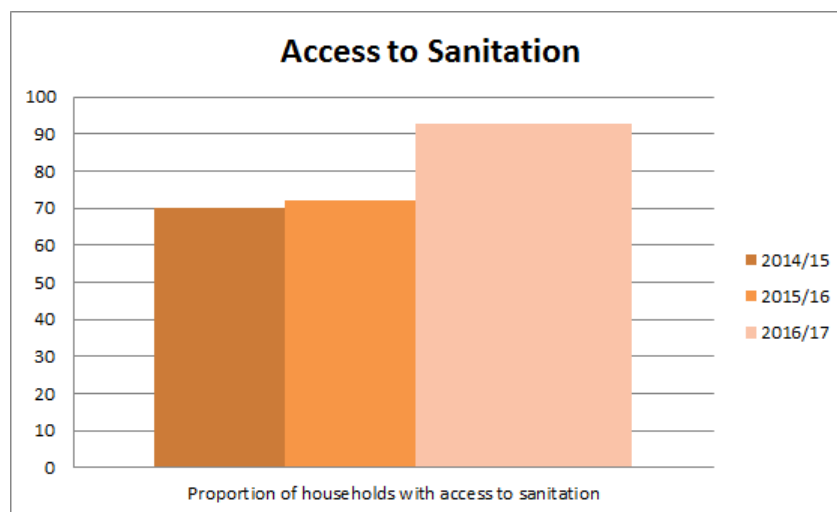
T 3.2.1



T 3.2.2

| Sanitation Service Delivery Levels | | | | |
|---|---------------|---------------|---------------|------------------------|
| Description | 2013/14 | 2014/15 | 2015/16 | *Households 2016/17 |
| | Outcome | Outcome | Outcome | Actual |
| | Number | Number | Number | Number |
| Sanitation/sewerage: (above minimum level) | | | | |
| Flush toilet (connected to sewerage) | 10 127 | 10 167 | 10 755 | 11 675 |
| Flush toilet (with septic tank) | 12 350 | 12 358 | 12 358 | 12 358 |
| Chemical toilet | 3 511 | 3 561 | 3 561 | 3 561 |
| Pit toilet (ventilated) | 52 | 52 | 52 | 52 |
| Other toilet provisions (above min.service level) | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 26 040 | 26 138 | 26 766 | 27 646 |
| <i>Minimum Service Level and Above Percentage</i> | 78.6% | 87.2% | 89.7% | 92.6% |
| Sanitation/sewerage: (below minimum level) | | | | |
| Bucket toilet | - | - | - | - |
| Other toilet provisions (below min.service level) | 3 712 | 3 614 | 2 986 | 2 986 |
| No toilet provisions | 100 | 100 | 100 | 100 |
| <i>Below Minimum Service Level sub-total</i> | 3 812 | 3 714 | 3 086 | 3 086 |
| <i>Below Minimum Service Level Percentage</i> | 12.8% | 12.4% | 10.3% | 10.3% |
| Total households | 29 852 | 29 852 | 29 852 | 29 852 |
| *Total number of households including informal settlements | | | | T 3.2.3 |

| Households - Sanitation Service Delivery Levels below the minimum | | | | | | |
|---|---------|---------|---------|-----------------------|-----------------|--------|
| Description | 2013/14 | 2014/15 | 2015/16 | Households 2016/17 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | Number | Number | Number | Number | Number | Number |
| Formal Settlements | | | | | | |
| Total households | 26 086 | 26 086 | 26 674 | 27 594 | 27 594 | 27 594 |
| Households below minimum service level | - | - | - | - | - | - |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| Informal Settlements | | | | | | |
| Total households | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 |
| Households ts below minimum service level | 255 | 240 | 200 | 200 | 200 | 200 |
| Proportion of households below minimum service level | 7% | 6% | 5% | 5% | 5% | 5% |
| T 3.2.4 | | | | | | |



T 3.2.5

| Sanitation Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| Service Objectives < | | | | | | | | | |

| Employees: Sanitation Services | | | | | |
|--------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | 0 | 0 | - | |
| 4 - 6 | 6 | 9 | 3 | 6 | 200% |
| 7 - 9 | 10 | 16 | 11 | 5 | 45% |
| 10 - 12 | 13 | 24 | 14 | 10 | 71% |
| 13 - 15 | 21 | 20 | 18 | 2 | 11% |
| 16 - 18 | - | - | - | - | |
| 19 - 20 | - | - | - | - | |
| Total | 50 | 69 | 46 | 23 | 50% |
| T 3.2.7 | | | | | |

| Financial Performance 2016/17: Sanitation Services | | | | | |
|---|-----------------|-------------------|--------------------|---------------|---------------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 67 202 | 60 538 | 57 626 | 57 461 | 0% |
| Expenditure: | | | | | |
| Employees | 12 052 | 12 918 | 12 930 | 12 255 | -6% |
| Repairs and Maintenance | 8 121 | 8 143 | 8 333 | 8 236 | -1% |
| Other | 21 727 | 19 930 | 20 892 | 18 760 | -11% |
| Total Operational Expenditure | 41 900 | 40 990 | 42 154 | 39 251 | -7% |
| Net Operational Expenditure | 41 900 | 40 990 | 42 154 | 39 251 | -7% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.2.8 |
| Capital Expenditure : Sanitation Services (Sewerage) | | | | | |
| R' 000 | | | | | |
| Capital Projects | 2016/17 | | | | Variance from Adjustment budget |
| | Original Budget | Adjustment Budget | Actual Expenditure | | |
| Replacement Of Pumps | 1 000 | 200 | 172 | | -14% |
| Double Cabs | 600 | 575 | 521 | | -9% |
| Pump Stations Upgrade | 2 500 | 500 | 496 | | -1% |
| 2 X LDVs | 700 | 700 | 387 | | -45% |
| Extension Daleside Sewer | 625 | 625 | 605 | | -3% |
| Rodding Trailer | 120 | 128 | 93 | | -27% |
| Jetting Machine | 350 | 550 | 517 | | -6% |
| Extend Sewer Network | 600 | 300 | 291 | | -3% |
| Extension To Daleside Sewer (MIG) | 6 000 | 5 469 | 5 147 | | -6% |
| Mamello Bulk Sewer (MIG) | | 160 | 160 | | 0% |
| Upgrade Sewage Network (MIG) | 3 400 | 4 859 | 4 836 | | 0% |
| Replacement of mixer waste water treatment | | 322 | 322 | | 0% |
| Portable Laboratory Kit | 100 | 71 | 71 | | 0% |
| Flow Meters WWTW | 200 | 194 | 184 | | -5% |
| Diesel Tanker On Trailer 500l | 50 | 42 | 39 | | -7% |
| Furniture | 200 | 207 | 205 | | -1% |
| Total | 16 445 | 14 900 | 14 046 | | -6% |
| | | | | | T3.2.9 |

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

Ohenimuri and Vaal Marina WWTW are operating in a fair to good condition with regard to the National Water Act, General Authorization Effluent Discharge Standards. Meyerton Waste-water Treatment-works is not complying with the National Water Act, General Authorization Effluent Discharge Standards due to the high hydraulic capacity challenge that the plant is experiencing. The plant is being upgraded to 25 mL to increase the hydraulic design capacity which will improve the effluent compliance challenge, that the works is experiencing. This will ensure better compliance figures and will reflect positively in the Green Drop Assessment as well as compliance to the effluent discharge standards. The upgrade of the works is funded by the Department of Water and Sanitation through its RBIG funding scheme. Rand Water is appointed by the Department of Water and Sanitation to implement the project. The construction is expected to be completed by March 2018.

T 3.2.10

3.3 ELECTRICITY

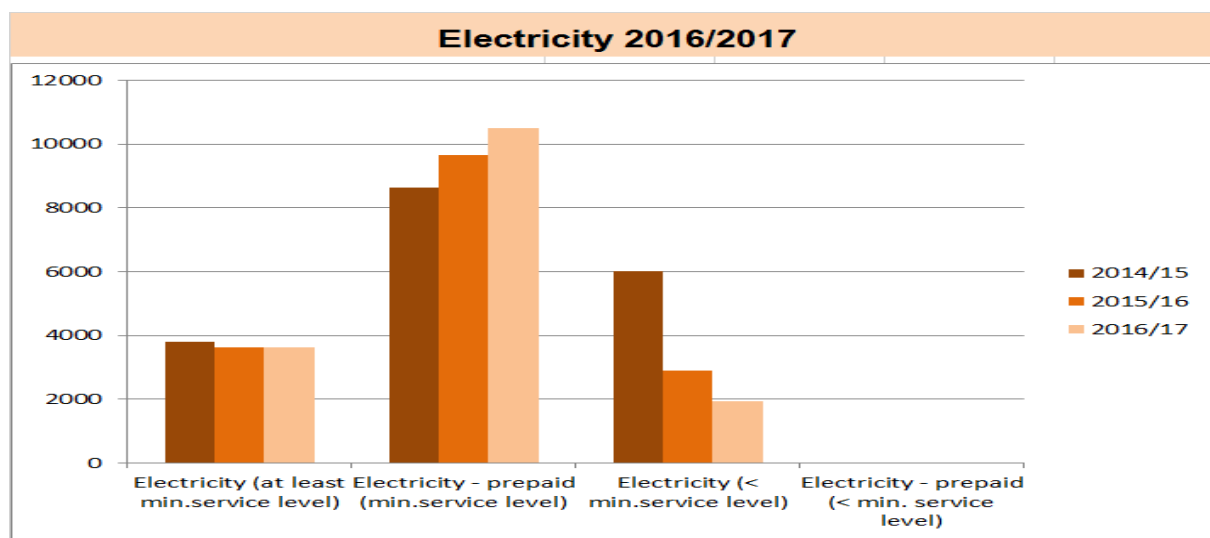
INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Most formal households in the Municipal Licenced electricity supply areas have been provided with electricity. In the rest of the Midvaal supply area, Eskom is the service provider. Most normal households in the Eskom supplied area are electrified. None of the informal areas are provided with electricity. The Council applied to the Department of Energy for funding to the amount R60 million for the bulk supply into those areas, but the request has been partly approved by R21 million and to date the bulk Eskom connections have been completed and all planning phases for the construction have been completed which includes the purchase of construction materials. As an interim measure, Council has provided limited funding on each year's financial budget for the Sicelo housing development, electricity connections.

A number of housing developments have been developed in Meyerton and Riversdale and from the request for electricity it seems as if there will be more in the new financial year.

T 3.3.1



T 3.3.2

| Description | Households | | | |
|---|---------------|---------------|---------------|---------------|
| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
| | Actual Number | Actual Number | Actual Number | Actual Number |
| Energy: (above minimum level) | | | | |
| Electricity (at least minimum service level) | 4 021 | 3 789 | 3 627 | 3 627 |
| Electricity - prepaid (minimum service level) | 8 289 | 8 637 | 9 647 | 10 516 |
| Minimum Service Level and Above sub-total | 12 310 | 12 426 | 13 274 | 14 143 |
| Minimum Service Level and Above Percentage | 82.1% | 41.2% | 44.5% | 47.4% |
| Energy: (below minimum level) | | | | |
| Electricity (< min. service level) | 6 012 | 6 012 | 2 911 | 1 930 |
| Electricity - prepaid (< min. service level) | | | | |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Other energy sources | | | | |
| <i>Below Minimum Service Level sub-total</i> | 6 012 | 3 759 | 2 911 | 1 930 |
| <i>Below Minimum Service Level Percentage</i> | 20.1% | 20.1% | 9.8% | 6.4% |
| Total number of households | 29 852 | 29 852 | 29 852 | 29 852 |
| T 3.3.3 | | | | |

| Households - Electricity Service Delivery Levels below the minimum | | | | | | |
|--|---------------|---------------|---------------|------------------------|------------------------|---------------|
| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | |
| | Actual Number | Actual Number | Actual Number | Original Budget Number | Adjusted Budget Number | Actual Number |
| Formal Settlements | | | | | | |
| Total households | 26 086 | 26 086 | 29 964 | 27 922 | 27 922 | 27 922 |
| Households below minimum service level | 850 | 850 | 2 911 | 1 930 | 1 930 | 1 930 |
| Proportion of households below minimum service level | 3% | 3% | 10% | 7% | 7% | 7% |
| Informal Settlements | | | | | | |
| Total households | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 |
| Households below minimum service level | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 | 3 766 |
| Proportion of households below minimum service level | 100% | 100% | 100% | 100% | 100% | 100% |
| T 3.3.4 | | | | | | |

| Electricity Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|----------------------|--------|--------------------|--------------------|---------|----------------------|--------------------|---------------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | | |
| | | Target | Actual | Target | Actual | | Target | | |
| Service Indicators (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| See Annexure T | | | | | | | | | |
| <p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p> | | | | | | | | | |
| T 3.3.5 | | | | | | | | | |

| Employees: Electricity Services | | | | | |
|---------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 7 | 6 | 6 | 0 | 0% |
| 7 - 9 | 14 | 22 | 16 | 6 | 38% |
| 10 - 12 | 7 | 8 | 8 | 0 | 0% |
| 13 - 15 | 17 | 19 | 16 | 3 | 19% |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | 46 | 56 | 47 | 9 | 19% |
| T 3.3.6 | | | | | |

| Financial Performance Year 2016/17: Electricity Services | | | | | |
|---|---------|-----------------|-------------------|---------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 306 349 | 356 019 | 354 539 | 348 036 | -2% |
| Expenditure: | | | | | |
| Employees | 13 476 | 14 773 | 14 357 | 14 173 | -1% |
| Repairs and Maintenance | 4 434 | 5 187 | 5 782 | 5 626 | -3% |
| Other | 278 722 | 326 561 | 324 464 | 312 791 | -4% |
| Total Operational Expenditure | 296 632 | 346 520 | 344 603 | 332 590 | -4% |
| Net Operational Expenditure | 296 632 | 346 520 | 344 603 | 332 590 | -4% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.3.7 |

| Capital Expenditure: Electricity Services | | | | |
|---|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Land Cruisers | 900 | 600 | 598 | 0% |
| Sicelo reticulation network (erf 204) | | 200 | 94 | -53% |
| Sicelo Bulk Network (Erf 78-204) | 800 | 200 | 136 | -32% |
| Replace Redundant Switchgear | 1 000 | 407 | 297 | -27% |
| Upgrade Jan Neethling Low Voltage | 2 000 | 1 893 | 1 550 | -18% |
| Street lights - Daleside | | 87 | 87 | 0% |
| Risiville Substation (Bulk Contribution) | 9 000 | 9 070 | 8 106 | -11% |
| New Connections | 500 | 50 | | -100% |
| Electricity Metering | 1 000 | 200 | 199 | 0% |
| Electrification Projects | 9 000 | 9 000 | 9 000 | 0% |
| Total | 24 200 | 21 707 | 20 066 | -8% |
| | | | | T3.3.8 |

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

A number of significant projects were implemented during the 2016/2017-financial year including:

Kookfontein/Sicelo Bulk Electricity Supply – Project Value R9 m
 Upgrade of Risiville Electricity Sub-station – Project Value R8.1 m
 Upgrade Jan Neethling Low Voltage Electricity Network – R1.6 m
 Upgrade Redundant Switchgear – R300 000
 Daleside Street Lights – R87 000

T 3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

The Council provides a “boundary-to-boundary” waste management service in public areas for which it is responsible, in its geographic area of jurisdiction. Property owners, or organisations, business entities or individuals who occupy premises, are responsible for maintaining cleanliness and hygiene standards on their premises (on-site inside property boundaries), in keeping with the norms determined by applicable by-laws. All stakeholders may contract on-site waste management services at their own expense.

The Council's own services are clustered per the following categories and the suite of services required for managing waste through an internal service mechanism:

- a. General waste collection services, including the transportation of waste to a transfer station, Material Recovery Facility (MRF) or drop-off site for recyclables, a special processing/treatment installation, or a disposal facility;
- b. Cleaning/cleansing, consisting of a wide range of cleaning services for all public spaces and streets under the Council's jurisdiction. This includes litter bin provision and servicing, street sweeping, litter picking, the clearing of illegal dumping and animal carcasses, and the cleaning of industrial pollution, waste and debris generated by acts of nature and processes;
- c. Disposal services, which include the maintenance and operation of special processing and collection facilities, waste transfer stations and landfill sites;
- d. Technical support services: The Council operates a fleet of vehicles that are specially equipped for the task of waste collection, cleaning and transportation of waste to landfill sites. A variety of support infrastructure, such as depots and workshops, is required and must be provided to house and support the different functions.
- e. General management, contract management, customer relations, information, administrative and planning support: These are various services that are provided to manage and provide additional support for the operational services.

The MLM has a responsibility to abide by statutes, policies and guidelines that are introduced by National and Provincial Departments from time to time. In this regard, Council acknowledges the regulatory oversight that must be exercised in terms of legislative compliance as well as the allocation of funds in aid of achieving National and Provincial objectives at the local government level.

Conversely, these Departments have a responsibility to ensure that timeous communication and the inter-governmental transfer of funds enables the Council to execute its duties and obligations.

The standard service level for residential waste collection in informal settlements is aligned with the Council's Indigent Policy. This is a once-a-week, door-to-door waste collection service provided to indigent families per dwelling, according to a Council approved contract. “Emergency” waste services may be provided temporarily while existing service provision plans are amended. Black plastic refuse bags for utilisation in clean-up campaigns may be provided at no cost subject to the availability of funds, at the discretion of the Head of Department.

T 3.4.1

| Solid Waste Service Delivery Levels | | | | |
|---|------------------|------------------|------------------|-----------------------|
| Description | 2013/14 | 2014/15 | 2015/16 | Households 2016/17 |
| | Actual Number | Actual Number | Actual Number | Actual Number |
| Solid Waste Removal: (Minimum level) | | | | |
| Removed at least once a week | 17 531 | 17 860 | 18 463 | 18 463 |
| <i>Minimum Service Level and Above sub-total</i> | 17 531 | 17 860 | 18 463 | 18 463 |
| <i>Minimum Service Level and Above percentage</i> | 100.0% | 100.0% | 61.8% | 100.0% |
| Solid Waste Removal: (Below minimum level) | | | | |
| Removed less frequently than once a week | - | - | | |
| Using communal refuse dump | - | - | | |
| Using own refuse dump | - | - | | |
| Other rubbish disposal | - | - | 2 718 | 2 718 |
| No rubbish disposal | - | - | 8 671 | 8 671 |
| <i>Below Minimum Service Level sub-total</i> | - | - | 11 | 11 |
| <i>Below Minimum Service Level percentage</i> | 0.0% | 0.0% | 0.0% | 0.0% |
| Total number of households | 17 531 | 17 860 | 29 852 | 29 852 |
| T 3.4.2 | | | | |

Note: Of the total number of households (i.e. 29 852) Midvaal provides waste management services to approximately **18 463** (formal) collection points and **2 718** (informal) collection points. **8 671** are unserved as these are properties that are either vacant, open spaces or in other similar circumstances.

| Households - Solid Waste Service Delivery Levels below the minimum | | | | | | |
|--|---------|---------|---------|-----------------|-----------------|--------|
| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 17 531 | 17 860 | 18 463 | 18 463 | 18 463 | 18 463 |
| Households below minimum service level | 6 890 | 6 890 | 6 890 | 6 890 | 6 890 | 6 890 |
| Proportion of households below minimum service level | 39% | 39% | 37% | 37% | 37% | 37% |
| Informal Settlements | | | | | | |
| Total households | 2 615 | 2 615 | 2 718 | 2 718 | 2 718 | 2 718 |
| Households below minimum service | 2 615 | 2 615 | 2 718 | 2 718 | 2 718 | 2 718 |
| Proportion of households below minimum service level | 100% | 100% | 100% | 100% | 100% | 100% |
| T 3.4.3 | | | | | | |

| Water Service Policy Objectives Taken From IDP | | | | | | | | |
|--|-------------------------|-----------------------|--------|-------------------------|-----------------------|---------|-----------------------|--------------------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | |
| | | *Previous Year (i) | (ii) | *Previous Year (iii) | *Current Year (iv) | (v) | *Current Year (vi) | *Following Year (vii) |
| Service Objective xxx | | | | | | | | |
| See Annexure T | | | | | | | | |
| <p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p> | | | | | | | | |

| Employees: Solid Waste Magement Services | | | | | |
|--|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 2 | 4 | 4 | 0 | 0% |
| 7 - 9 | 12 | 10 | 9 | 1 | 11% |
| 10 - 12 | 18 | 20 | 18 | 2 | 11% |
| 13 - 15 | 59 | 53 | 48 | 5 | 10% |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | 92 | 88 | 80 | 8 | 9% |
| T3.4.5 | | | | | |

| Employees: Waste Disposal and Other Services | | | | | |
|--|-----------|---|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | | | | | |
| 4 - 6 | | | | | |
| 7 - 9 | | Information captured under waste management/solid waste | | | |
| 10 - 12 | | | | | |
| 13 - 15 | | | | | |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | | | | | |
| T3.4.6 | | | | | |

| Financial Performance 2016/17: Solid Waste Management Services (including environmental management) | | | | | |
|--|---------------|-----------------|-------------------|---------------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 46 184 | 49 940 | 47 440 | 44 005 | -8% |
| Expenditure: | | | | | |
| Employees | 17 911 | 20 882 | 19 731 | 19 139 | -3% |
| Repairs and Maintenance | 5 987 | 4 114 | 5 364 | 4 871 | -10% |
| Other | 23 752 | 30 783 | 27 439 | 22 233 | -23% |
| Total Operational Expenditure | 47 651 | 55 778 | 52 534 | 46 242 | -14% |
| Net Operational Expenditure | 47 651 | 55 778 | 52 534 | 46 242 | -14% |
| <p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p> | | | | | |
| T 3.4.7 | | | | | |

| Financial Performance 2016/17: Waste Disposal and Other Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.4.8 |

| Capital Expenditure: Waste Management Services | | | | |
|---|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Skip Bin Loader With Trailer | 1 800 | 1 800 | 1 799 | 0% |
| Street Litter Bins | 100 | 108 | 108 | -1% |
| Wash bay Equipment | 20 | 15 | 15 | 0% |
| Galloway buy back centre (roll over) | | 16 | 16 | 0% |
| Tanker - 2500lt & Hard Drive | | 3 | 3 | -28% |
| Adjustment to Provision for landfill site rehab asset | | 8 630 | 7 219 | -16% |
| Total | 1 920 | 10 573 | 9 160 | -13% |
| | | | | T3.4.9 |

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

1. Priority of the largest capital projects

1.1. Priority projects identified as per the IDP refer to the:

- * Upgrading of Vaal Marina landfill sites to provide fencing in order to comply with the required legislative framework.
- * Provision of plant and machinery for waste management services to build up the fleet to ensure that all residents receive a basic refuse removal service.

1.2. Targets set out in the IDP schedule:

The targets set out in the IDP schedule cannot be attained within approved budget provision due to financial constraints. Every year, during the budget preparation processes, the Council will prioritise projects and programmes subject to availability of funds. Some of the programmes will be implemented in phases.

1.2.1 How does the municipality intend to rectify the matter?

- * To investigate the feasibility of establishing public-private partnership and Municipal Service Partnerships.

1.2.2 Variances from budget for net operating and capital expenditure.

- * The variances from the budget for the net operating and capital expenditure may have been caused by unforeseen factors such as escalation of prices in the market, non-payment of services due to recession, cross subsidisation of services within the municipality and the general cost of living.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

One of the eight Key Performance Areas (KPA's) of Midvaal is KPA 3: Social and Community Development. This KPA is supported by four Key Focus Areas, of which KFA 15: Sustainable Human Settlements, deals with (amongst others) Housing. The key objective is "Community Development" and "Sustainable". This objective is supported by the following three programmes i.e;

- Facilitating the provision of housing
- Midvaal is not an accredited housing agency, but plays a vital role in the facilitation of several housing projects which include The Grace, Erf 204 Sicelo, Mamello Ext. 1 and Savanna City.
- Enabling access to land and security of tenure
- Midvaal as land owner made Erven 54 and 55 Meyerton Farms and Erf 78 Meyerton Farms as well as a portion of Portion 400 of the farm Koppiesfontein available to the Department of Human Settlements for various housing projects
- Formalisation and upgrading of informal settlements
- Midvaal initiated specialist studies in respect of the Sicelo informal settlement to facilitate the formalisation/in-situ upgrading of the community
- Midvaal has identified Skansdam as a future housing area and has since requested the Gauteng Department of Human Settlement to conduct feasibility studies. Skansdam will accommodate some of the informal settlements to the north, Piels Farm, Boitumelo and Kayelitsha.

Midvaal had as a KPI undertaken to develop a Sustainable Human Settlement Plan (HSP); this was done, approved and adopted by Council. The HSP is a component of a suite of policies and plans that inform the Spatial Development Framework (SDF).

The 2011 Stats SA survey outcome, as the only official data source available, will be utilised to update the 2016/2017-annual report.

Of the 29 852 Households residing in Midvaal, 87.4% stay in formal settlements, small holdings and farms.

T 3.5.1

| Percentage of households with access to basic housing | | | |
|---|--|----------------------------------|---|
| Year end | Total households (including in formal and informal settlements) | Households in formal settlements | Percentage of HHs in formal settlements |
| 2013/14 | 29 852 | 26 086 | 87,4% |
| 2014/15 | 29 852 | 26 086 | 87,4% |
| 2015/16 | 29 852 | 26 086 | 87,4% |
| 2016/17 | 29 852 | 26 086 | 87,4% |
| T 3.5.2 | | | |

| Housing Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2014/15 | | 2015/16 | | | 2016/17 | 2017/18 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| <p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p> | | | | | | | | | |

T3.5.3

| Employees: Housing Services | | | | | |
|-----------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | 2015/16 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | - | 0% |
| 4 - 6 | - | - | - | - | - |
| 7 - 9 | - | - | - | - | - |
| 10 - 12 | - | - | - | - | - |
| 13 - 15 | - | - | - | - | - |
| 16 - 18 | - | - | - | - | - |
| 19 - 20 | - | - | - | - | - |
| Total | 1 | 1 | 1 | - | 0% |

T 3.5.4

| Financial Performance 2016/17: Housing Services | | | | | |
|--|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| <p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p> | | | | | |

T 3.5.5

| Capital Expenditure: Housing Services | | | | |
|---------------------------------------|---------|-----------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Budget | Original Budget | Actual Expenditure | Variance from Adjustment budget |
| None | | | | |

T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

The Housing Section within Midvaal has continued to make huge progress in facilitating various housing initiatives aimed at eradicating the housing backlog and informal settlements. All these initiatives are framed in and are aligned to the Sustainable Human Settlement Plan adopted by Council. Effectiveness in executing this plan is reduced due to the fact that the department has no executive function and only fulfills a facilitating role. This includes improving IGR as well as enhancing transparency in the housing delivery process.

Access to bulk infra-structure and the ability of contractors amongst others has a drastic impact on the housing delivery process. The result is that slow progress was made in the construction process, however 515 houses in Savanna City and another 135 houses in Sicelo were completed by the Department of Human Settlements in the 2014/15-financial year. Midvaal has, regardless of this, proceeded with lots of preparatory work and specialist studies to ensure that adequate and suitable land is available for the eradication of the housing backlog.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual's or a household's access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society. The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors. It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but that there is a significant number of people who are living in extreme poverty and who, without Council support, will be unable to afford to pay for even the most basic of services. Midvaal's approach to indigent support is that a whole set of interventions must be implemented to ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

Indigents are defined as those people who, due to a number of factors, are unable to make monetary contributions towards basic services, no matter how small the amounts seem to be.

Any household, earning less than the R3 500.00 qualify to be registered as indigents. Examples are pensioners, unemployed, child headed families and students.

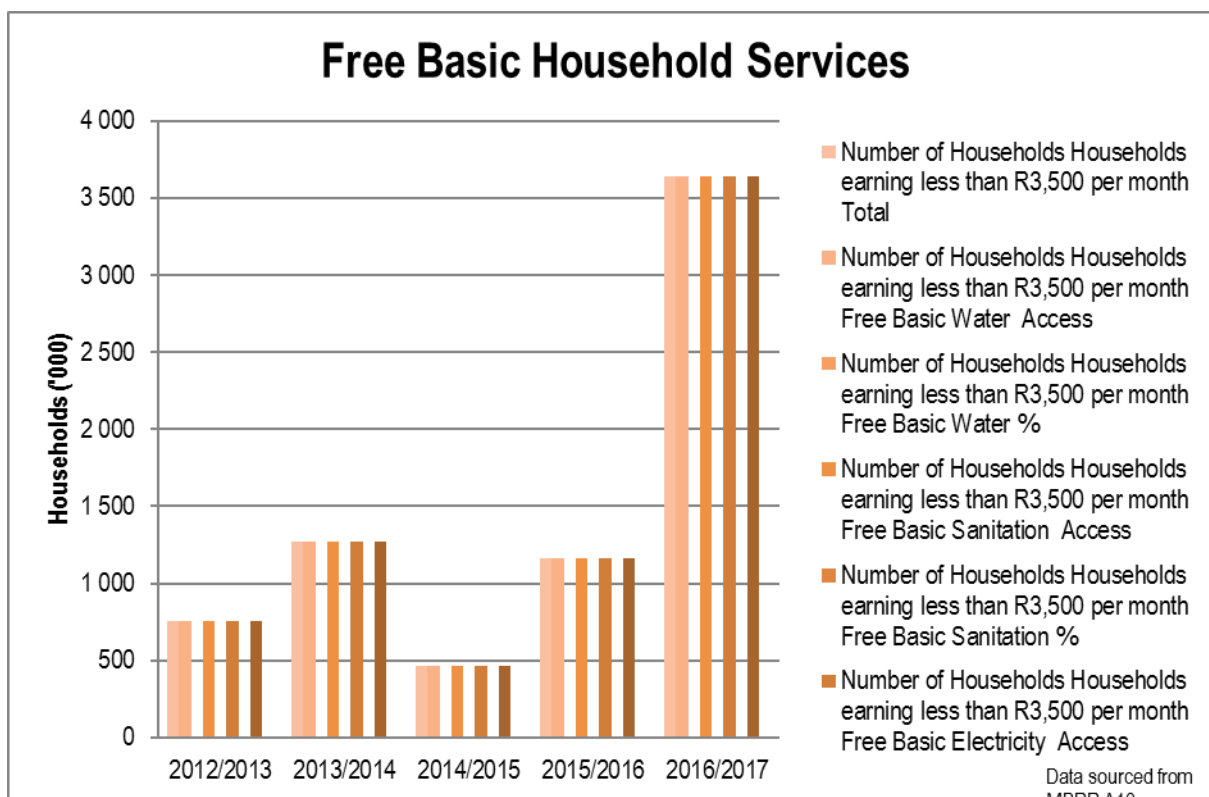
The policy covers a wide range of indigent benefits, such as, but not limited to:

- Indigent rates and tax rebates
- Indigent burials
- Expanded Social Package (indigent exit programmes, life skills programmes, unemployed database, counselling by social workers).

At the end of the financial year, there were 3 753 registered indigents in the database of Midvaal. These indigents benefited from their accrued municipal debt being written off, free basic water of 6 kl, free basic sanitation, free refuse collection, 50 kWh free basic electricity and no assessment rates for the first R500 000 of their property values. Many indigents were also given temporary work during the year. Registered indigents making use of Eskom electricity also receive free basic electricity. The municipality pays Eskom annually for free basic electricity provided to our residents. In addition, poor people not living in formal households and thus not registered as indigents, are benefitting from water tankers providing water at no cost, portable toilets and refuse collection in informal settlements.

All property owners with a property value of R150 000 and less will be automatically registered as deemed indigents and receive the benefits listed above.

T 3.6.1



T 3.6.2

| Free Basic Services To Low Income Households | | | | | | | | | | |
|--|----------------------|---|------------------|------|-----------------------|------|------------------------|------|-------------------|------|
| | Number of Households | | | | | | | | | |
| | Total | Households earning less than R3,500 per month | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| 2012/2013 | 29 852 | 756 | 756 | 100% | 756 | 100% | 756 | 100% | 756 | 100% |
| 2013/2014 | 29 852 | 1 267 | 1 267 | 100% | 1 267 | 100% | 1 267 | 100% | 1 267 | 100% |
| 2014/2015 | 29 852 | 460 | 460 | 100% | 460 | 100% | 460 | 100% | 460 | 100% |
| 2015/2016 | 29 852 | 1 163 | 1 163 | 100% | 1 163 | 100% | 1 163 | 100% | 1 163 | 100% |
| 2016/2017 | 29 852 | 3 753 | 3 753 | 100% | 3 753 | 100% | 3 753 | 100% | 3 753 | 100% |
| T 3 6 3 | | | | | | | | | | |

T 3.6.3

| Financial Performance 2016/17: Cost to Municipality of Free Basic Services Delivered | | | | | |
|--|---------|---------|-------------------|--------|--------------------|
| Services Delivered | 2015/16 | 2016/17 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| Water | 8 134 | 8 028 | 9 198 | 9 286 | 14% |
| Waste Water (Sanitation) | 1 330 | 882 | 882 | 5 732 | 85% |
| Electricity | 191 | 2 387 | 2 387 | 418 | -471% |
| Waste Management (Solid Waste) | 989 | 703 | 703 | 4 334 | 84% |
| Total | 10 644 | 12 000 | 13 170 | 19 770 | 39% |

T 3.6.4

| Free Basic Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Service Objectives | | | | | | | | | |

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The free basic services and indigent support are funded through the equitable share grant.

With the increase of indigent households as the Savanna City development progresses, additional equitable share funding will be required. It is expected that the indigent households will more than double once the Savanna City development is completed.

National Treasury has already been engaged as the provision of free basic services will not be affordable to Midvaal without an adjustment to the equitable share grant. It will not be possible to wait for the next census figures to influence the equitable share grant and a special adjustment to the grant will thus be required.

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads, transport and waste-water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

The municipal road network consists of 616 km of surfaced roads and 565 km of gravel roads. A large number of these roads are in sparsely populated rural areas. The surfacing of these is thus not economically viable. Roads are maintained to a very high standard. Potholes are repaired as a matter of priority as and when they develop and gravel roads are graded once or twice a year depending on the condition of the particular road and rainfall patterns for the particular season.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Potholes

Potholes are attended to according to the complaints received. However, roads teams attending to a complaint are required to fix every pothole within the area where the complaint was reported to avoid further complaints and to prevent more potential potholes developing.

At the beginning of February this financial year, Roads and Storm-water experienced heavy and elongated rainfalls that resulted in a massive backlog of potholes within the municipal boundary. The backlog was cleared completely by the end of June 2017.

Gravel roads

A gravel maintenance program is generated every quarter, indicating a planned grading program per suburb/farm. This program forms the basis of the gravel road maintenance. Complaints that come while the grading teams are focused on other areas are noted and attended to after the planned work has been completed unless the severity of the road complained about is critical. In such cases the program is diverted from and the complaint is attended to immediately; however all other roads closer to roads that were complained about are then graded as well.

Midvaal has a challenge with regards to obtaining a borrow-pit where graded material can be obtained to upgrade gravel roads and to supply sub-base layers for new roads without sourcing from external sources. An amount of R100 000 was made available for the 2016/2017- financial year for the planning phase to explore the feasibility of acquiring a Municipal owned-borrow pit.

Resealing

The Pavement Management System (PMS) shows the expected life span of roads that have been tarred and the recommended surface treatment to be applied in future. This PMS is also supported by the visual inspections carried out quarterly to confirm and prioritise which roads are resealed every financial year. The prioritisations seek political concurrence before resealing can be done.

Road Cleaning

Every tarred road is cleaned of loose sand, stones and vegetation and a weed-killer/vegetation control chemical is applied. A road is cleaned at least 3 times a year by a dedicated contractor hiring local labour as 90% of his staff. Roads are cleaned 500mm on both sides, as well as intersections, to avoid point-loading to the surface by foreign objects if not cleaned. The section identifies roads that need attention and also relies on complaints from the public to attend to these roads.

Storm-water

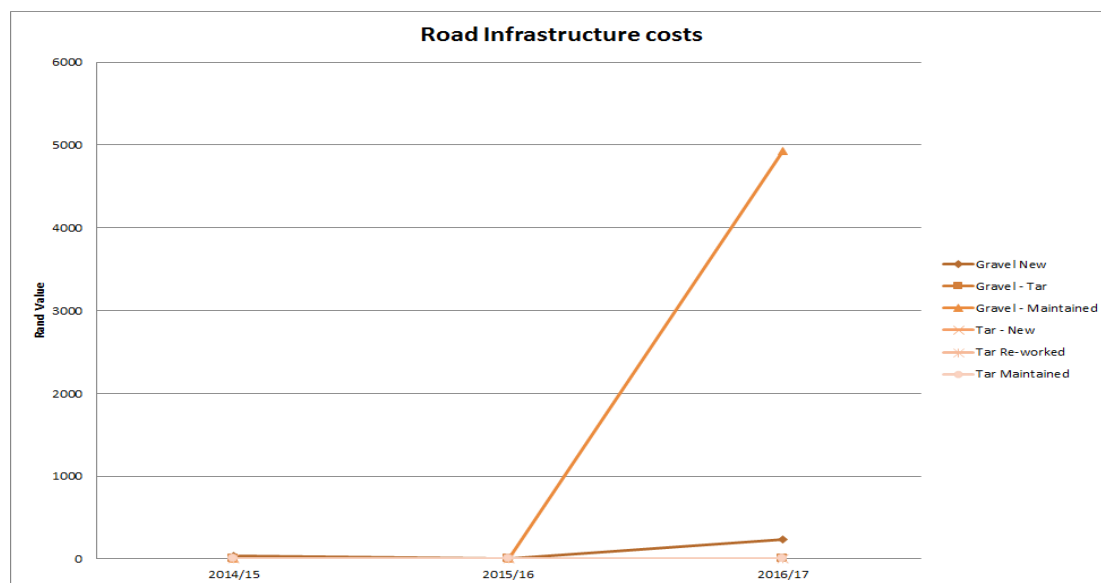
Storm-water maintenance targets are set quarterly, accompanied by a storm-water maintenance programme where all channels, v-drain ditches (earth drains), headwalls and manholes are cleaned per suburb. Teams focus on the cleaning of all these assets and repair them according to the severity of the damages.

T 3.7.1

| Gravel Road Infrastructure | | | | |
|----------------------------|--------------------|------------------------------|------------------------------|--|
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Kilometers Gravel roads graded/maintained |
| 2014/15 | 560 | 1 | 3 | 560 |
| 2015/16 | 560 | 0 | 2,86 | 806 |
| 2016/17 | 565 | 4 | 6,55 | 757 |
| | | | | T 3.7.2 |

| Kilometers | | | | | |
|------------|--------------------|---------------|------------------------------|-------------------------------|----------------------|
| | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2014/15 | 613 | 3 | 9,91 | 0 | 613 |
| 2015/16 | 616 | 3 | 10,9 | 0 | 613 |
| 2016/17 | 644 | 27,55 | 7,7 | 0 | 616 |
| | | | | | T 3.7.3 |

| Cost of Construction/Maintenance | | | | | | |
|----------------------------------|--------|--------------|------------|-----|-----------|------------|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| 2014/15 | 42 | 10 984 | 5 213 | - | 11 073 | 3 169 |
| 2015/16 | 0 | 11 326 | 5 050 | - | 10 722 | 1 139 |
| 2016/17 | 240 | 16 999 | 4926 | - | 10 976 | 1 237 |
| | | | | | | T 3.7.4 |



T 3.7.5

| Road Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| Service Objectives < | | | | | | | | | |

| Employees: Road Services | | | | | |
|--------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | 1 | 0 | 1 | |
| 4 - 6 | 3 | 4 | 2 | 2 | 100% |
| 7 - 9 | 7 | 20 | 16 | 4 | 25% |
| 10 - 12 | 7 | 13 | 7 | 6 | 86% |
| 13 - 15 | 27 | 32 | 31 | 1 | 3% |
| 16 - 18 | - | 0 | 0 | | |
| 19 - 20 | - | - | 0 | | |
| Total | 44 | 70 | 56 | 14 | 25% |
| T3.7.7 | | | | | |

| Financial Performance 2016/17: Road Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 13 056 | 2 639 | 2 618 | 9 932 | 74% |
| Expenditure: | | | | | |
| Employees | 8 069 | 8 656 | 8 877 | 7 977 | -11% |
| Repairs and Maintenance | 17 847 | 18 218 | 18 120 | 17 515 | -3% |
| Other | 36 260 | 44 236 | 43 711 | 36 389 | -20% |
| Total Operational Expenditure | 62 175 | 71 110 | 70 707 | 61 881 | -14% |
| Net Operational Expenditure | 62 175 | 71 110 | 70 707 | 61 881 | -14% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.7.8 |

| Capital Expenditure: Roads and Stormwater Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Upgrade Intersections | 4 000 | 4 000 | 4 000 | 0% |
| Gravel To Tar (MIG) | 2 539 | 2 518 | 2 518 | 0% |
| Mamello Access Road (MIG) | 100 | 100 | 100 | 0% |
| Total | 6 639 | 6 618 | 6 618 | 0% |
| T3.7.9 | | | | |

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Gravel roads were graded in line with a planned programme and for corrugated roads, additional grading was done as per requirement for corrugated roads.

Storm-water canals are cleaned on an annual basis prior to the start of the rainy season. There is a general challenge of shortage of gravel material for rehabilitation of the roads. Potholes are fixed within a reasonable period and very few potholes are visible in the area. In terms of a gravel to tar programme, funds are provided on an annual basis to tar one or two roads per ward per year. Two general roads inspections were conducted to evaluate the visual appearance of the road before the actual maintenance can be prioritised.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

This function is not performed by the local municipality, it is a district function.

T 3.8.1

| Financial Performance 2016/17: Mechanical Workshop | | | | | |
|--|--------------|-----------------|-------------------|--------------|------------------------|
| | | | | | R'000 |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | 2 721 | 2 890 | 3 048 | 2 836 | -7% |
| Repairs and Maintenance | 20 | 55 | 55 | 33 | -66% |
| Other | 357 | 627 | 632 | 301 | -110% |
| Total Operational Expenditure | 3 098 | 3 572 | 3 735 | 3 170 | -18% |
| Net Operational Expenditure | 3 098 | 3 572 | 3 735 | 3 170 | -18% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.8.5 |

3.9 WASTE WATER (STORMWATER DRAINAGE)

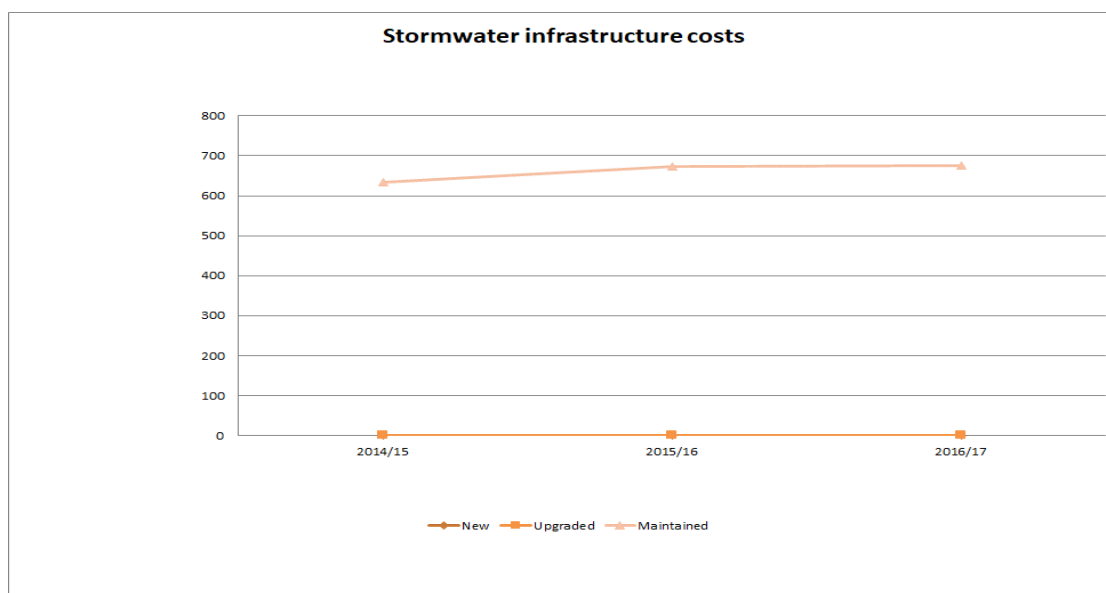
INTRODUCTION TO STORM-WATER DRAINAGE

Gravel roads were graded in line with a planned programme and for corrugated roads, additional grading was done as per requirement for corrugated roads. Storm-water canals are cleaned on an annual basis prior to the start of the rainy season. There is a general challenge of shortage of gravel material for rehabilitation of the roads. Potholes are fixed within a reasonable period and very few potholes are visible in the area. In terms of a gravel to tar programme, funds are provided on an annual basis to tar one or two roads per ward per year. Two general roads inspections were conducted to evaluate the visual appearance of the road before the actual maintenance can be prioritised.

T 3.9.1

| Stormwater Infrastructure | | | | |
|---------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
| | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| 2014/15 | 52 | 0 | 0 | 52 |
| 2015/16 | 52 | | 0 | 52 |
| 2016/17 | 68 | 16 | 0 | 52 |
| | | | | T 3.9.2 |

| Cost of Construction/Maintenance | | | |
|----------------------------------|---------------------|----------|------------|
| | Stormwater Measures | | |
| | New | Upgraded | Maintained |
| 2014/15 | - | - | 634 |
| 2015/16 | - | - | 674 |
| 2016/17 | 0 | 0 | 674 |
| | | | T 3.9.3 |



T 3.9.4

| Stormwater Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|----------------------|--------|--------------------|--------------------|---------|----------------------|--------------------|---------------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | | |
| | | Target | Actual | Target | Actual | | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Indicators (i) | (ii) | | | | | | | | |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.9.5 |

| Employees: Stormwater Services | | | | | |
|--------------------------------|-----------|-------------------------------------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2014/15 | 2015/16 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | | | | | |
| 4 - 6 | | | | | |
| 7 - 9 | | Captured as part of roads employees | | | |
| 10 - 12 | | | | | |
| 13 - 15 | | | | | |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | | | | | |
| T 3.9.6 | | | | | |

| Financial Performance 2016/17: Engineering Admin | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 1 712 | 1 746 | 1 746 | 1 746 | 0% |
| Expenditure: | | | | | |
| Employees | 8 343 | 10 121 | 10 139 | 8 773 | -16% |
| Repairs and Maintenance | 3 033 | 3 503 | 3 376 | 1 834 | -84% |
| Other | 1 914 | 2 927 | 3 014 | 2 134 | -41% |
| Total Operational Expenditure | 13 290 | 16 551 | 16 529 | 12 741 | -30% |
| Net Operational Expenditure | 13 290 | 16 551 | 16 529 | 12 741 | -30% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.9.7 |

| Capital Expenditure: Stormwater Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| None | | | | |
| T 3.9.8 | | | | |

COMMENT ON THE PERFORMANCE OF STORM-WATER DRAINAGE OVERALL

There is inadequate storm-water drainage infrastructure within the entire greater Meyerton area resulting in flooding of the road infrastructure during rainy seasons.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Midvaal has a Spatial Development Framework that is supported by well-informed land-use policies and aligned with the IDP. Most of the urban development is situated in close proximity to the main routes such as the R82 and the R59. The R59 presents the opportunity to be developed as a modern development corridor that supports some of the existing communities in Midvaal, and links Emfuleni in the South and Ekurhuleni and Johannesburg in the North.

The rural population forms 64% of the Midvaal population, resulting in a very low population density, aligned along a dispersed settlement pattern and is one of the biggest weaknesses from an economic development and physical planning point of view. The result is unsatisfactory service levels and socio-economic development in the rural areas.

Future food security is important to Midvaal and a lot of effort is being directed to protect the integrity of the agricultural areas and support emerging farmers through a number of programmes and activities.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

The essence of Midvaal's service delivery objectives are captured in KPA 8: Economic Growth and Development and is encapsulated in KFA 32: Local Economic Development (LED) & Capacity Building and KFA 33: Spatial and Development Planning: Planning and Regulating Growth.

T 3.10.1

| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail | Formalisation of Townships | | Rezoning | | Built Environment | |
| | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 |
| Planning application received | 1 | 2 | 33 | 59 | 1 267 | 775 |
| Determination made in year of receipt | 0 | 0 | 11 | 8 | 508 | 672 |
| Determination made in following year | 0 | 2 | 14 | 32 | 656 | 144 |
| Applications withdrawn | 0 | 0 | 0 | 3 | 2 | 0 |
| Applications outstanding at year end | 1 | 2 | 38 | 53 | 284 | 103 |

T 3.10.2

| Planning Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|-----------|--------|-----------|----------|---------|----------|----------|------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | | |
| | | Target | Actual | Target | Actual | | Target | | |
| | | *Previous | (iv) | *Previous | *Current | (vii) | *Current | *Current | *Following |
| (i) | (ii) | (iii) | | (v) | (vi) | | (viii) | (ix) | (x) |
| See Annexure T | | | | | | | | | |

T 3.10.3

| Employees: Planning Services | | | | | |
|------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 5 | 5 | 4 | 1 | 20% |
| 4 - 6 | 13 | 13 | 12 | 1 | 8% |
| 7 - 9 | 10 | 17 | 11 | 6 | 35% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 2 | 2 | 2 | 0 | 0% |
| 16 - 18 | 0 | 0 | | | 0% |
| 19 - 20 | 0 | 0 | | | 0% |
| Total | 30 | 37 | 29 | 8 | 63% |
| T 3.10.4 | | | | | |

| Financial Performance 2016/17: Planning Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 2 509 | 2 702 | 2 702 | 3 036 | 11% |
| Expenditure: | | | | | |
| Employees | 16 264 | 16 379 | 17 534 | 16 810 | -4% |
| Repairs and Maintenance | 92 | 113 | 85 | 8 | -950% |
| Other | 5 103 | 8 047 | 9 327 | 5 790 | -61% |
| Total Operational Expenditure | 21 459 | 24 539 | 26 945 | 22 608 | -19% |
| Net Operational Expenditure | 21 459 | 24 539 | 26 945 | 22 608 | -19% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.10.5 |

| Capital Expenditure: Planning Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Furniture and Equipment | 50 | 50 | 38 | -24% |
| Total | 50 | 50 | 38 | -24% |
| T 3.10.6 | | | | |

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Physical planning in Midvaal has been further enhanced through the integration of the new Midvaal SDF with the Midvaal IDP. Direction is given to sector departments and developers alike through the implementation of the SDF and the various precinct plans and policies that were developed and adopted by Council.

The Building Control section has increased the law enforcement component of the Municipality and is working closely with Council's panel of attorneys to ensure that cases are expedited.

The electronic tracking system (City Solve) was put in place to assist in ensuring that turn-around times, dealing with applications, can be reduced.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Paramount to the improvement of the quality of life for Midvaal residents is the creation of employment opportunities. Employment opportunities are normally associated with a sustainable growing economy, which creates employment opportunities. Midvaal promotes local economic empowerment through the implementation of the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP).

The importance of Local Economic Development as part of the growing of the economic sector is entrenched in the following definition of Local Economic Development: "The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation" (Reference - World Bank).

It is by building up the economic capacity of a local area to improve its economic future and the quality of life for all that this definition is being fulfilled.

It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (Reference - World Bank).

Job creation and eradication of poverty remain some of the highest priorities for South Africa. The problem, however, remains that job creation is occurring in the secondary and tertiary industries, while many people lack the necessary skills and education to benefit from this. This necessitates a focus on specific projects that would benefit the poorest of the poor, people with insufficient education and skill levels and more particularly, people in rural areas, who are most adversely affected by poverty. Efforts in this regard however have to be sustainable and viable in the long term and therefore have to move away from the "subsistence mentality" focusing on conventional sewing, poultry and vegetable garden projects.

Midvaal approved and adopted the Midvaal LED Strategy as well as the Midvaal Agricultural Growth Strategy during the 2016/17-financial year. The Council also implemented the Kgatelopele Programme that aimed to train 100 youth community members to establish an employment creation and entrepreneurship development programme aimed at training, up-skilling and mentoring young people, to provide them with opportunities, employability and a chance to step forward!

The Kgatelopele Initiative entailed the setting aside of targeted work for local cooperatives to compete for the awarding of such work which relates to road marking, grass cutting, street and waste cleaning, delivery of accounts and other possible similar tasks.

Young people were identified and trained in phases in entrepreneurship skills and the establishment of co-operatives to be able to compete for the awarding of this work. Once established and operational, these co-operatives should be able to compete in the open market for other appropriate work to ensure that they become sustainable business enterprises, thus creating jobs themselves and doing actual local economic development.

T 3.11.1

| Economic Activity by Sector | | | | R '000 |
|-------------------------------------|-----------|-----------|-----------|----------|
| Sector | 2014/15 | 2015/16 | 2016/17 | |
| Agric, forestry and fishing | 43 400 | 43 400 | 43 400 | |
| Mining and quarrying | 6 970 | 6 970 | 6 970 | |
| Manufacturing | 779 272 | 779 272 | 779 272 | |
| Wholesale and retail trade | 426 111 | 426 111 | 426 111 | |
| Finance, property, etc. | 681 028 | 681 028 | 681 028 | |
| Govt, community and social services | 667 814 | 667 814 | 667 814 | |
| Infrastructure services | 219 890 | 219 890 | 219 890 | |
| Total | 2 824 485 | 2 824 485 | 2 824 485 | |
| | | | | T 3.11.2 |

| Economic Employment by Sector | | | |
|-------------------------------------|---------------------------|---------|----------------|
| Sector | 2014/15 | 2015/16 | Jobs |
| | No. | No. | 2016/17 No. |
| Agric, forestry and fishing | Information not available | | |
| Mining and quarrying | | | |
| Manufacturing | | | |
| Wholesale and retail trade | | | |
| Finance, property, etc. | | | |
| Govt, community and social services | | | |
| Infrastructure services | | | |
| Total | | | |
| T 3.11.3 | | | |

COMMENT ON LOCAL JOB OPPORTUNITIES

Midvaal fully understands the importance of eradicating unemployment through the creation of sustainable job opportunities. Short term initiatives include the EPWP and the CWP. The importance of the second economy has been recognised. Formal employment opportunities in the first economy are continually being provided along the R59 corridor as this is where the most of the new commercial and industrial developments are being established. There is a decline in agricultural practices with a resultant decline in employment in this sector.

T 3.11.4

| Jobs Created during 2016/17 by LED Initiatives (Excluding EPWP projects) | | | | |
|--|---------------------|---|---------------------------------------|--|
| Total Jobs created / Top 3 initiatives | Jobs created No. | Jobs lost/displaced by other initiatives No. | Net total jobs created in year No. | Method of validating jobs created/lost |
| Total (all initiatives) | | | | |
| 2014/15 | 903 | 0 | 903 | CWP & Savanna city |
| 2015/16 | 1 340 | 0 | 1 340 | CWP & Savanna city |
| 2016/17 | 1 587 | 0 | 1 587 | CWP, Savanna city and other |
| | | | | T 3.11.5 |

| Job creation through EPWP* projects | | |
|-------------------------------------|---------------|------------------------------------|
| Details | EPWP Projects | Jobs created through EPWP projects |
| | No. | No. |
| 2014/15 | 10 | 300 |
| 2015/16 | 19 | 278 |
| 2016/17 | 5 | 161 |
| * - Extended Public Works Programme | | T 3.11.6 |

| | | Local Economic Development Policy Objectives Taken From IDP | | | | | | | |
|--|---------------------------------|---|--------|-----------------------|-----------------------|---------|-------------------------|-----------------------|-------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | | |
| | | Target | Actual | Target | Actual | | Target | | |
| | | *Previous (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.11.7 |

| Employees: Local Economic Development Services | | | | | |
|--|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | 1 | 0 | 1 | 100% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | - | | 0 | 0 | 0% |
| 10 - 12 | - | | 0 | 0 | 0% |
| 13 - 15 | - | | 0 | 0 | 0% |
| 16 - 18 | - | | | | 0% |
| 19 - 20 | - | | | | 0% |
| Total | 1 | 2 | 1 | 1 | |
| T 3.11.8 | | | | | |

| Financial Performance 2016/17: Local Economic Development Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.11.9 |

| Capital Expenditure 2014/15: Economic Development Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| None | | | | |
| T 3.11.10 | | | | |

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Midvaal, like any other municipality in South Africa, is confronted with the triple challenges of poverty, inequality and unemployment. MLM has to utilise its limited resources effectively to stimulate the local economy for its citizens. The section should assist the municipality to build local economic capacity in order to improve its economic potential and the quality of life for all for the benefit of the local citizens. It is a given fact that priority should be given to local communities to explore and take advantage of economic development initiatives in their areas. The section is involved in a myriad of local economic development initiatives. It should however be made clear, that the LED office does not have any budget to implement capital projects. The section however play an important role in co-ordinating and facilitating local economic development initiatives and programmes and exposing the existing opportunities to both local communities and private/public sector.

Inter-governmental Relations (IGR)

The section is party to various inter-governmental relation structures with the Gauteng Department of Economic Development and Sedibeng District. The relevance of these structures are to share research findings and information on latest trends in LED programmes, reporting on projects' progress, investment opportunities, bilateral agreements and mutual co-operation on projects. With the information obtained, the section tries to realign its thinking and policies with the provincial directives.

SMMES

There is a database of the SMME's, of which a copy has been forwarded to the Supply Chain Management Section so that if and when there are opportunities, SMME's can also benefit. The section has had engagements with two business fora within MLM, namely Lakeside/Orange Farm Business Forum and People Promoting Local Economic Development - PPLED (Midvaal). The two fora have indicated their frustration with penetrating the procurement and recruitment processes in order to benefit from the municipal project. The fora will have to be merged into one mega forum representing MLM and the database to be amended as such.

TOWNSHIP ECONOMY REVITALISATION

MLM does not have prevalence of townships (referring to townships established in terms of the Less Formal Township Act or Black Communities Development Act) except for Lakeside. Sicelo has been established in terms of the Meyerton Town Planning Scheme. The townships are confronted with a lack of economic opportunities resulting in people identifying their own opportunities that are primarily informal and do not conform to municipal by-laws. The Gauteng Department of Economic Development is in the process of formulating a township strategy. The strategy will provide a policy directive towards township economy revitalisation to curb the challenges of informality and create an enabling environment for the township economy to prosper and benefit the community.

POLICIES/BY-LAWS

There are municipal policies and by-laws which will have to be reviewed in order to establish their adequacy to stimulate economic growth within the municipality.

CWP

The section has since assumed the role of facilitating and co-ordinating efforts of the CWP by assisting with arranging LRC meetings (between MLM, Councillors, Implementing Agent and Ward Committee members), preparation of CWP reports, assisting with arranging events and drafting of the CWP implementation plan. The LED Section has visited the CWP Food Gardens project in Sicelo, Kudung, Bantu Bonke and Rata Sechaba School. The Section was also part of the latest CWP members recruitment.

AGRICULTURE

MLM's current vision is to be renowned for robust economic growth and a high quality of life for all. In realising this vision, one of the strategic economic development trajectories that MLM will continue to pursue is to be *"The food*

basket of Gauteng” and ultimately be the AGRI-TROPOLIS. The municipality has aligned its economic growth strategy position to realise this vision and this is evident as pronounced in the Integrated Development Plan and Spatial Development Plan. The Key Performance Area (KPA) 8 relates to economic development and Principle 2 of that KPA is to facilitate and enhance agricultural production. The section is involved with various agricultural initiatives.

DE DEUR COMMERCIAL CENTRE FARM PROJECT

Rand Water Foundation (RWF), Gauteng Department of Agricultural and Rural Development (GDARD), MLM and Sedibeng Cluster have partnered together to facilitate and oversee the successful implementation of the De Deur Commercial Centre Farm. The Project is located on Erf 216, De Deur Estate Limited township and measure 9.08 hectares (subject to final survey). It is the intention to develop an integrated agricultural processing centre comprising of agricultural production tunnels, cold storage, pack house, administration offices, ablution block, security control facility, restaurant/mini market and car wash. This project will see the realisation of the full agricultural produce value chain being undertaken on the property. There will be tunnels to plant and grow crops, a pack house to process them and cold storage to be kept in before they are taken to the market. The restaurant and mini market will be for the people who want to buy fresh produce and enjoy some cooked meals while washing their cars. The section has assisted in obtaining council resolution, facilitated the appointment of a service provider to train, support and prepare cooperative members to be equipped with necessary expertise and knowledge to manage the project. The LED section together with RWF has managed to complete draft architectural plans and designs, Bill of Quantities, Engineering Service Report and Geo-technical Report.

MECHANISATION PROGRAMME

GDARD has sponsored the municipality with two tractors. The tractors have been used by farmers' clusters in the eastern and western parts of Meyerton town. The tractors are being maintained.

BANTU BONKE

The involvement of the section is only limited to oversight, specifically attendance of the Comprehensive Rural Development Programme chaired by DRDLR to manage the Community Development Programme.

T 3.11.1

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives, museums, arts and galleries, community halls, cemeteries and crematoria, child care, aged care, social programmes and theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community and Social Services strives to improve the quality of life for all Midvaal residents, from the cradle to the grave, by ensuring access to health, information and recreation in a safe, secure, clean and sustainable environment and by providing the core principles, mechanisms and processes that are necessary to empower and uplift previously disadvantaged communities.

T 3.12

3.12 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES

Libraries can be regarded as both social and community facilities. A community library is the local gateway to knowledge. It provides basic conditions for lifelong learning, independent decision making and cultural development. Libraries and Information Services enable intellectual freedom by providing access to information, ideas and works of imagination. Libraries seek to provide information and ideas that are fundamental to function successfully in today's information and knowledge-based society.

Community Libraries are also actively involved in community development through programmes, projects and activities that facilitate capacity building and empowerment opportunities. Midvaal library services are also actively involved in early childhood development through the provision of educational toy-library services.

Midvaal libraries consist of 7 library facilities namely Meyerton, Henley on Klip, Randvaal, De Deur, Sicelo, Lakeside and Bantu Bonke. Bantu Bonke is a modular library that will be opening in September 2017. Midvaal libraries also offer several library outreach services to the rural and disadvantaged communities of Mamello, Tikello and Alewynspoort. There is also an e-learning centre that aims to provide the community and the Midvaal staff members with information literacy skills and access to ICT technologies. Midvaal Libraries also offer 30 minutes free Wi-Fi to their patrons daily.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES & OTHER

The provision of library and information services within the municipality includes the following

Leisure reading, general enquiries, assistance with school projects and homework, study areas, photo-copying services, computing services, assisting people in need of help, creating and strengthening reading habits in children, facilitation of reading activities and story hours, community information, supporting individual and self-conducted education, providing access to local, regional, national and global resources, providing information for knowledge, understanding, imagination and enjoyment, non-formal education, informal education, outreach services, e-learning centre for computer trainings, extension services and community development work.

Service Statistics for libraries (registered members)

| | |
|---------------------------|-------|
| Meyerton Library | 8 194 |
| Henley-on-Klip Library | 2 063 |
| De Deur Library | 1 969 |
| Randvaal Library | 1 547 |
| Sicelo Library | 1 487 |
| Lakeside Library | 284 |
| Vaal Marina Depot | 12 |
| Meyerton Old Age Home | 47 |
| Randvaal Old Age Home | 5 |
| De Deur Old Age Home | 21 |
| Henley Retirement Village | 21 |

Outreach Services (Attendance)

| | |
|--------------------------------|-----|
| Alewynspoort Outreach | 90 |
| Bantu Bonke Outreach | 150 |
| Educational Toy Library | 420 |
| Sibonile School for the Blind | 300 |
| National Book Week Celebration | 450 |

T 3.12.2

| Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP | | | | | | | | | |
|---|---------------------------------|--------------------|--------|------------------|-----------------------|--------|-------------------------|-----------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.12.3 |

| Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|---|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | 0 | 0 | 0 | - |
| 4 - 6 | 7 | 8 | 8 | 0 | 0% |
| 7 - 9 | 14 | 15 | 15 | 0 | 0% |
| 10 - 12 | 1 | 1 | 1 | 0 | |
| 13 - 15 | 5 | 5 | 5 | 0 | 0% |
| 16 - 18 | - | | | | - |
| 19 - 20 | - | | | | - |
| Total | 27 | 29 | 29 | 0 | 0% |
| | | | | | T 3.12.4 |

| Financial Performance Year 2016/17: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| | | | | | R'000 |
| | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 6 424 | 8 419 | 8 919 | 8 942 | 0% |
| Expenditure: | | | | | |
| Employees | 7 050 | 9 405 | 7 980 | 7 441 | -7% |
| Repairs and Maintenance | 60 | 343 | 707 | 546 | -30% |
| Other | 2 500 | 3 329 | 3 603 | 2 599 | -39% |
| Total Operational Expenditure | 9 610 | 13 077 | 12 290 | 10 586 | -16% |
| Net Operational Expenditure | 9 610 | 13 077 | 12 290 | 10 586 | -16% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.12.5 |

| Financial Performance Year 2016/17: Social Services Admin | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| | | | | | R'000 |
| | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | 4 310 | 4 467 | 4 617 | 4 578 | -1% |
| Repairs and Maintenance | 535 | 605 | 595 | 454 | -31% |
| Other | 1 838 | 2 408 | 2 291 | 1 677 | -37% |
| Total Operational Expenditure | 6 683 | 7 480 | 7 502 | 6 709 | -12% |
| Net Operational Expenditure | 6 683 | 7 480 | 7 502 | 6 709 | -12% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.12.5A |

| Capital Expenditure: Libraries | | | | |
|--------------------------------|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Furniture and Equipment | | 220 | 175 | -20% |
| White Board E Learning | 170 | | | |
| Micro Server | 90 | | | |
| Meyerton Library Books (DAC) | 50 | 287 | 285 | -1% |
| Book Security Systems (DAC) | 270 | 136 | 136 | 0% |
| Modular Library (Bantu Bonke) | 1 500 | 1 592 | 1 592 | 0% |
| ICT Hardware & Upgrades (DAC) | | 686 | 686 | 0% |
| Airconditioners (DAC) | | | | #DIV/0! |
| Furniture (DAC) | | 83 | 70 | -15% |
| HOK Library Books (DAC) | 50 | 132 | 132 | 0% |
| De Deur Library Books (DAC) | 50 | 77 | 77 | 0% |
| Randvaal Library Books (DAC) | 50 | 55 | 55 | 0% |
| Sicelo Library Books (DAC) | 50 | 194 | 194 | 0% |
| Lakeside Library Books (DAC) | 50 | 393 | 393 | 0% |
| Total | 2 330 | 3 856 | 3 797 | -2% |
| | | | | T3.12.6 |

| Capital Expenditure: Social Services Admin | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Furniture & Equipment | 50 | 28 | 28 | -1% |
| Computers x 2 | | 26 | 24 | -6% |
| Total | 50 | 54 | 52 | -4% |
| | | | | T3.14.6 |

COMMENT ON THE PERFORMANCE OF LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES & OTHER (THEATRES, ZOOS, ETC) OVERALL

Midvaal libraries have been able to spend all Conditional Grant Allocations received according to the approved business plans and provisional time frames since the initiation of the Conditional Grant in 2007. Therefore all Conditional Grant Projects have been implemented successfully with all funds spent within the specific Financial Year.

T 3.12.7

3.13 CEMETERIES AND CREMATORIA

INTRODUCTION TO CEMETERIES & CREMATORIA

To provide accessible, safe cemeteries to all residents of Midvaal. To maintain all cemeteries at an acceptable standard. Implementing by-laws on cemeteries. Managing and Providing burial function / admin and providing bookings for paupers and indigents.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIA

The maintenance and operational service is delivered via a contractor. Total contracted services and maintenance amounted to R609 269. Total income for cemeteries was R630 483.

T 3.13.2

| Cemeteries and Crematoriums Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|--------------------|--------|------------------|------------------|--------|--------------------|------------------|-------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current (vi) | (vii) | *Current (viii) | *Current (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.13.3 |

| Employees: Cemeteries and Crematoriums | | | | | |
|--|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | | | | - |
| 4 - 6 | - | | | | - |
| 7 - 9 | 1 | 1 | 0 | 1 | 100% |
| 10 - 12 | - | | | | - |
| 13 - 15 | - | | | | - |
| 16 - 18 | - | | | | - |
| 19 - 20 | - | | | | - |
| Total | 1 | 1 | 0 | - | - |
| | | | | | T 3.13.4 |

| Financial Performance 2016/17: Cemeteries and Crematoriums | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 656 | 753 | 753 | 630 | -19% |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | 20 | 76 | 76 | 26 | -188% |
| Other | 574 | 590 | 955 | 776 | -23% |
| Total Operational Expenditure | 594 | 666 | 1 031 | 802 | -29% |
| Net Operational Expenditure | 594 | 666 | 1 031 | 802 | -29% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.13.5 |

| Capital Expenditure: Cemeteries and Crematoriums | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Program For Grave Bookings | 150 | 100 | 44 | -56% |
| Total | 150 | 100 | 44 | -56% |
| | | | | T3.13.6 |

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIA OVERALL

Midvaal succeeded in providing a high standard of well-maintained and sustainable cemetery services to all communities in Midvaal. The operational maintenance of the cemeteries (grass cutting, cleaning of the area etc.) is done partly in-house and partly by an external service provider.

The actual cemetery function (digging of graves, burial site layout etc.) is being performed by an external service provider as provided for on the operational expenditure budget.

T 3.13.7

3.14 CHILD CARE, AGED CARE & SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE, AGED CARE & SOCIAL PROGRAMMES

A database for people with disabilities is in existence. GEYODI programmes are running on a quarterly basis and include all vulnerable groups. An exit programme for indigent people who have been earmarked for tissue manufacturing training (women) is in place. This is a Sedibeng District initiative but has not yet been implemented in Midvaal. There are also youth programmes with Midvaal Youth Development Centre for business skills, Information Technology Training and other skills.

T 3.14.1

| Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|-----------------|--------|---------------|--------------------|---------|----------------------|--------------------|----------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | |
| | | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| Service Indicators (i) | (ii) | | | | | | | | |
| See Annexure T | | | | | | | | | |

T 3.14.3

| Employees: Child Care; Aged Care; Social Programmes | | | | | |
|---|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 0 | 0 | 0 | - |
| 4 - 6 | 0 | 0 | 0 | 0 | - |
| 7 - 9 | 2 | 2 | 2 | 0 | - |
| 10 - 12 | 0 | 0 | 0 | 0 | - |
| 13 - 15 | 0 | 0 | 0 | 0 | - |
| 16 - 18 | 0 | 0 | 0 | 0 | - |
| 19 - 20 | 0 | 0 | 0 | 0 | - |
| Total | - | 2 | 2 | 0 | - |

T 3.14.4

| Financial Performance Year 2016/2017: Child Care; Aged Care; Social Programmes | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.14.5 |

COMMENT ON THE PERFORMANCE OF CHILD CARE, AGED CARE, SOCIAL PROGRAMMES OVERALL

Hollard Foundation has since exited the municipality in June 2016, but is still continuing to support the municipality in the Early Childhood Development (ECD) Programme.

A database for children (indigent) who are not on the municipal indigent system was created with Hollard Foundation. A database for children accessing ECD services in the municipality is in place. Three Memoranda of Understanding were signed with three NPO Organisations implementing the Day Mother Model in the municipality.

T 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes pollution control, bio-diversity and landscape

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection strives to protect and sustain our environment for the present and future generations. The aim is to ensure a comprehensive and sustainable environment for all communities. It will ensure safe food, water, air and land usage. The unit aims to co-ordinate the implementation of pollution control strategies for all environmental pollution, as well as promote sustainable utilisation and conservation of biological diversity and natural processes for the development of all communities

T 3.15

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Constitution of the Republic of South Africa defines the provision of Municipal Health Services (non-personal health) as a function of local government in terms of Schedule 4B. Section 84 of the Municipal Structures Act further determines that districts must render Municipal Health Services (MHS) for the district as a whole.

The Sedibeng District Council resolved to render MHS on an agency basis through a Service Level Agreement with the respective local municipalities within its area of jurisdiction as from 1 July 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), The World Health Organization (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus MHS also means

the assessment, monitoring, correction, control and prevention of environmental health factors that can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

Pollution control further relates to the identification, evaluation, monitoring and prevention of land, soil, water, noise and air pollution. Environmental pollution control is included in the definition of Municipal Health Services in the National Health Act, 60 of 2003, and is a core function of all spheres of government in protecting the environment for future generations.

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

- Pollution control is a core function of the Environmental Health Section and thus forms part of their daily routine.
- Air pollution, ambient monitoring and licensing is currently managed by the Environmental Management Section of the Sedibeng District Council in liaison with the National Department of Environmental Affairs.
- The Environmental Health Section samples borehole water and municipal water on a monthly basis. Samples of rivers, dams and streams are conducted in liaison with the National Department of Water Affairs and the Department of Health.
- Surveillance of industrial premises with regard to possible environmental pollution activities are conducted weekly.
- Public complaints related to pollution control are investigated immediately and acted upon by issuing statutory notices for compliance.
- All statistics on various pollution factors are compiled in monthly and quarterly reports to the District and Local municipalities
- The Environmental Health Section is operationally funded by the Sedibeng District Council in terms of a Service Level Agreement.
- Capital funding is not available and all education and awareness projects and campaigns are managed under the operational budget.

T 3.15.2

| Pollution Control Policy Objectives Taken From IDP | | | | | | | | | |
|--|-------------------------------------|--------------------|--------|------------------|------------------|--------|--------------------|------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current (vi) | (vii) | *Current (viii) | *Current (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.15.3 |

| Employees: Pollution Control | | | | | |
|------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | - | - | - | - |
| 4 - 6 | - | - | - | - | - |
| 7 - 9 | - | - | - | - | - |
| 10 - 12 | - | - | - | - | - |
| 13 - 15 | - | - | - | - | - |
| 16 - 18 | - | - | - | - | - |
| 19 - 20 | - | - | - | - | - |
| Total | - | - | - | - | - |
| T 3.15.4 | | | | | |

| Financial Performance 2016/17: Pollution Control | | | | | |
|---|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.15.5 |

| Capital Expenditure: Pollution Control | | | | |
|--|---------|-----------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Budget | Original Budget | Actual Expenditure | Variance from Adjustment budget |
| None | | | | |
| T3.15.6 | | | | |

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL

The position of the Environmental Manager is currently vacant. The Environmental Health Section continues to assist in the performance of those functions as well as with environmental health related issues pertaining to pollution control.

The vast geographical area in the jurisdiction of the local municipality creates challenges in terms of controlling land pollution such as illegal dumping and illegal oil spills in particular. However, with proper control systems and

mechanisms implemented, improved control can be exercised. Frequent follow-up inspections, the issuing of statutory notices and billing the perpetrators further assist in managing the problems.

Environmental health education and awareness programmes and environmental cleaning campaigns at primary schools, informal settlements and at previously disadvantaged communities assist in the prevention and control of environmental pollution.

T 3.15.7

3.16 BIO-DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES) AND OTHER

INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

To provide accessible and safe parks and open spaces

To maintain all parks and open spaces at an acceptable standard

To promote urban greening and forestry

To create awareness of the environment through awareness campaigns, national days and weeks

Tree maintenance and planting

Public Open Spaces By-laws implementation

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The service as detailed above has been delivered within the provided budget.

T 3.16.2

| Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP | | | | | | | | | |
|---|---------------------------------|--------------------|--------|------------------|-----------------------|--------|-------------------------|-----------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.16.3 |

| Employees: Bio-Diversity; Landscape and Other | | | | | |
|---|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 4 | 5 | 4 | 1 | 20% |
| 7 - 9 | 3 | 6 | 5 | 1 | 17% |
| 10 - 12 | 28 | 30 | 27,00 | 3,00 | 10% |
| 13 - 15 | 8 | 14 | 14 | - | 0% |
| 16 - 18 | 0 | 0 | 0 | - | 0% |
| 19 - 20 | 0 | 0 | - | - | 0% |
| Total | 44 | 56 | 51 | 5 | 9% |
| | | | | | T 3.16.4 |

| Financial Performance 2016/17: Bio-Diversity; Landscape and Other | | | | | |
|--|--------------|-----------------|-------------------|--------------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 2 393 | 2 679 | 2 679 | 2 458 | -9% |
| Expenditure: | | | | | |
| Employees | 2 092 | 2 412 | 2 398 | 2 119 | -13% |
| Repairs and Maintenance | 13 | 39 | 39 | 10 | -291% |
| Other | 357 | 494 | 494 | 329 | -50% |
| Total Operational Expenditure | 2 462 | 2 945 | 2 931 | 2 458 | -19% |
| Net Operational Expenditure | 2 462 | 2 945 | 2 931 | 2 458 | -19% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | <i>T 3.16.5</i> |

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY, LANDSCAPE AND OTHER OVERALL

A number of capital projects as detailed above have been implemented during the year under review, of which the procurement of new service delivery equipment are the most significant.

T 3.16.7

COMPONENT F: HEALTH

This component includes clinics, ambulance services and health inspections.

INTRODUCTION TO HEALTH

The Act gives guidance and definition to Provincial Health Care (PHC) services and Municipal Health Services. It provides decentralisation and legal structures for the operation of the district Health System.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

The Municipality provides Primary Health Care Services through four established clinics (one provincial) and outreach services through mobile services and health posts.

T 3.17.1

| Service Data for Clinics | | | | |
|--|------------|--------------|------------|--------------|
| Details | 2015/16 | 2016/17 | | 2017/18 |
| | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 Average number of Patient visits on an average day | 500 | 600 | 625 | 630 |
| 2 Total Medical Staff available on an average day | 30 | 31 | 99 | 100 |
| 3 Average Patient waiting time | 1-3hrs | 3hrs | 3hrs | 3hrs |
| 4 Number of HIV/AIDS tests undertaken in the year | 32089 | 40000 | 11960 | 9000 |
| 5 Number of tests in 4 above that proved positive | 3725 | 5000 | 5 | 5 |
| 6 Number of children that are immunised at under 1 year of age | 1419 | 1500 | 1300 | 1200 |
| 7 Child immunisations above compared with the child population under 1 year of age | 1432.00% | 150.00% | 113.50% | 101.50% |
| <i>T 3.17.2</i> | | | | |

Concerning T 3.17.2

The National norm for waiting time for a Community Health Clinic is three to four hours. The waiting time for our clinics is reduced to maximum two hours because staff in our clinics as indicated by the staff establishment is complemented by provincial staff. The patient-staff ratio is one to forty (1 : 40).

T 3.17.2.1

| Clinics Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|--------------------|--------|------------------|------------------|--------|--------------------|------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/2016 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current (vi) | (vii) | *Current (viii) | *Current (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.17.3 |

| Employees: Clinics | | | | | |
|--------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 0 | 0 | 0 | 0% |
| 4 - 6 | 3 | 2 | 2 | 0 | 0% |
| 7 - 9 | 6 | 6 | 6 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 2 | 2 | 2 | 0 | 0% |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | | 10 | 10 | 0 | |
| | | | | | T 3.17.4 |

| Financial Performance 2016/17: Clinics | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| | | | | | |
| Total Operational Revenue | 4 196 | 7 149 | 7 149 | 4 101 | -74% |
| Expenditure: | | | | | |
| Employees | 3 637 | 4 167 | 4 112 | 3 395 | -21% |
| Repairs and Maintenance | 27 | 665 | 417 | 39 | -980% |
| Other | 843 | 2 183 | 1 899 | 851 | -123% |
| Total Operational Expenditure | 4 507 | 7 015 | 6 428 | 4 285 | -50% |
| Net Operational Expenditure | 4 507 | 7 015 | 6 428 | 4 285 | -50% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.17.5 |

| Capital Expenditure: Clinics | | | | |
|-------------------------------------|---------|-----------------|--------------------|---------------------------------|
| Capital Projects | 2016/17 | | | |
| | Budget | Original Budget | Actual Expenditure | Variance from Adjustment budget |
| | | | | |
| Examination Couch (Randvaal Clinic) | | 2 | 2 | 0% |
| Examination Couch (Meyerton Clinic) | | 2 | 2 | 0% |
| Total | | 4 | 4 | 0% |
| | | | | T 3.17.6 |

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL

The Municipality renders the provision of Primary Health Care Services on an agency basis. The MOU with Gauteng Province gave directives for capital projects to be carried out by the provincial sphere of government, therefore no capital projects were undertaken in the last two financial years.

T 3.17.7

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Ambulance services is not a local municipality function, the function is handled by the Sedibeng District Municipality.

T 3.18.1

3.19 HEALTH INSPECTION, FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS, FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

The Constitution of the Republic of SA defines the provision of Municipal Health Services MHS (non-personal health) as a function of local government in terms of Schedule 4 B. Section 84 of the Municipal Structures Act further determines that Districts must render Municipal Health Services (MHS) for the District as a whole.

The Sedibeng District Council resolved to render MHS on an agency basis through a Service Level Agreement with the respective local municipalities within its area of jurisdiction as from 1 July 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), the World Health Organisation (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus MHS also means the assessment, monitoring, correction, control and prevention of environmental health factors which can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

Thus all aspects of Environmental Health such as inspections, surveillance of premises and food control is being conducted under the National Health Act and relevant environmental health legislation.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, ETC

- The nine elements of Municipal Health Services as listed in the National Health Act are core functions of the Environmental Health Section and thus form part of their daily routine.
- All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the District and Local municipalities
- The Environmental Health Section is operationally funded by the Sedibeng District Council in terms of a Service Level Agreement to the amount of R2 458 390.
- Capital funding is not available and all education and awareness projects and campaigns are managed under the operational budget. Thus there were no capital projects conducted.

T 3.19.2

| Health Inspection and Etc Policy Objectives Taken From IDP | | | | | | | | | |
|--|-------------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| Service Indicators (i) | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| | | See Annexure T | | | | | | | |
| | | | | | | | | | T 3.19.3 |

| Employees: Health Inspection Etc | | | | | |
|----------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2014/15 | 2015/16 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | | | - | 0% |
| 4 - 6 | 4 | 5 | 5 | - | 0% |
| 7 - 9 | 1 | 1 | 1 | - | 0% |
| 10 - 12 | - | | | - | 0% |
| 13 - 15 | - | | | - | 0% |
| 16 - 18 | - | | | - | 0% |
| 19 - 20 | - | | | - | 0% |
| Total | 5 | 6 | 6 | 0 | 0% |
| | | | | | T 3.19.4 |

| Financial Performance 2016/17: Health Inspection, Etc | | | | | | R'000 |
|---|---------|-----------------|-------------------|--------|--------------------|----------|
| Details | 2015/16 | 2016/17 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | | | | | | |
| Expenditure: | | | | | | |
| Employees | | | | | | |
| Repairs and Maintenance | | | | | | |
| Other | | | | | | |
| Total Operational Expenditure | | | | | | |
| Net Operational Expenditure | | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | | T 3.19.5 |

| Capital Expenditure: Health Inspection, Etc | | | | | R' 000 |
|---|---------|-----------------|--------------------|---------------------------------|----------|
| Capital Projects | 2016/17 | | | | |
| | Budget | Original Budget | Actual Expenditure | Variance from Adjustment budget | |
| None | | | | | T 3.19.6 |

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL

- The nine elements of Municipal Health Services as listed in the National Health Act are core functions of the Environmental Health Section and thus form part of their daily routine functions. These functions are performed by four operationally functional Environmental Health Practitioners and one Chief Environmental Health Practitioner responsible for strategic planning and operational implementation of strategies.
- All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the District and Local municipalities.
- The Environmental Health Section is operationally funded by the Sedibeng District Council in terms of a Service Level Agreement to the amount of R2 458 390.
- Capital funding is not available and all education and awareness projects and campaigns are managed under the operational budget.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

This component includes police, fire, disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Security & Safety

The Mayor committed R1 m for crime prevention in conjunction with the CPF's whereby the need was identified, a plan was established and the following items were purchased and spread according to the established plan throughout Midvaal:

1. A drone;
2. CCTV Cameras; and
3. Radio's for communication.

Public Safety Traffic Police

The roles and responsibilities of Traffic Polices Services include traffic control, speed law enforcement prosecutions and road traffic law enforcement. The traffic road safety services cover the R59 Freeway but do not include the Vereeniging / Emfuleni area. In addition to road safety, traffic police are mandated to; enforce Municipal By-Laws, promote Social Crime Prevention, minimise road accidents, maintain law and order and promote peace.

Total number of Infringements issued:

| 2015/2016 | | 2016/2017 | | Difference |
|---------------|---------|---------------|---------|------------|
| Infringements | 182 782 | Infringements | 147 759 | 35 023 |
| Accidents | 654 | Accidents | 648 | 6 |

147 759 is a total number of infringements based on different offences and locations. The above figures display a decline in infringements issued which stems from pro-active policing. The joint operations with SAPS and monthly heavy duty and Public Transport operations proved to yield positive results in terms of traffic law compliance.

Duly structured and formalised Community Policing Forums are supported and encouraged to perform joint policing activities which maximise visibility.

T 3.20

3.20 TRAFFIC POLICE

INTRODUCTION TO TRAFFIC POLICE

1. Freight/Heavy vehicle Operation

Special Operations to check driver and vehicle fitness on heavy motor vehicles:

Stopped and screened: 4 505

Prosecuted: 2 005

2. Public Transport Operation

Special Operations to check driver and vehicle fitness on public vehicles:

Stopped and screened: 814

Prosecuted: 501

3. Special Operations with SAPS

Planned special operations with the different SAPS in the Vereeniging Cluster to check driver and vehicle fitness:

Stopped and screened: 3 050

Total Operations: 1 007

4. Scholar patrol and School Training

School safety and traffic control still remain priority. Patrol and road safety training are conducted visiting schools and pre-schools to train the children on road safety.

Springfield Combined School

Ratasetjhaba Primary School

Meyerton Primary

Risiville Primary School

Rethabile Day Care

Midvaal Laerskool

Republiek Laerskool

Mpumelelo Day Care

Khula Day Care

Krabel Kleuterskool

Sandvoetjies Kleuterskool

Timelo Primary School

Bantu Bonke

Sicelo Primary School

Laerskool De Deur

Rusoord High School

Hand in Hand Kleuterskool

Skansdam Primary

Sunshine Education Center

Mew Hope High School

Kayelitsha Farm Kliprivier

T 3.20.1

| Traffic Service Data | | | | | |
|----------------------|--|------------|--------------|------------|--------------|
| | Details | 2015/16 | 2016/17 | | 2017/18 |
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Number of road traffic accidents during the year | 648 | 654 | 648 | 642 |
| 2 | Number of by-law infringements attended | 0 | 100 | 110 759 | 110 759 |
| 3 | Number of police officers in the field on an average day | 22 | 23 | 21 | 23 |
| 4 | Number of police officers on duty on an average day | 22 | 23 | 18 | 23 |
| T 3.20.2 | | | | | |

Concerning T 3.20.2

The number of infringements attended includes the number of posters removed and the number of trade license complaints attended to:

| | |
|------------------------------|-------|
| Hawkers Operation with SAPS | 2 |
| Special Operations with SAPS | 24 |
| Posters removed | 6 057 |
| Posters issued | 251 |
| Trade Licenses | 69 |

Infringements issued were for moving violations, defects and speed camera prosecutions and posters, and trade licenses were issued at demarcated areas within Midvaal.

TOTAL: 147 759

T 3.20.2.1

| Traffic Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|----------------|--------|----------------|---------------|--------|---------------|---------------|-----------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | | Target | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| | | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.20.3 |

| Employees: Traffic Officers | | | | | |
|-----------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2014/15 | 2015/16 | | | |
| Traffic | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| Administrators | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 2 | 2 | | 0% |
| 4 - 6 | 8 | 8 | 8 | | 0% |
| 7 - 9 | 29 | 25 | 24 | 1 | 4% |
| 10 - 12 | - | 0 | - | | 0% |
| 13 - 15 | 2 | 1 | 1 | | 0% |
| Temp Contract | | 10 | 10 | | 0% |
| Temporary | 10 | | | | 0% |
| Total | 50 | 46 | 45 | | 0% |
| | | | | | T 3.20.4 |

| Financial Performance 2016/17 Traffic | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| | | | | | R'000 |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 48 724 | 53 181 | 53 181 | 49 267 | -8% |
| Expenditure: | | | | | |
| Police Officers | 15 654 | 15 865 | 16 111 | 16 132 | 0% |
| Repairs and Maintenance | 292 | 339 | 204 | 196 | -4% |
| Other | 49 869 | 51 372 | 51 570 | 50 292 | -3% |
| Total Operational Expenditure | 65 815 | 67 576 | 67 885 | 66 621 | -2% |
| Net Operational Expenditure | 65 815 | 67 576 | 67 885 | 66 621 | -2% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.20.5 |

| Capital Expenditure: Traffic | | | | |
|--------------------------------------|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Painting Machine | 250 | 205 | 205 | 0% |
| Alcohol Meter | 150 | 82 | 82 | 0% |
| Drones x 2 | | 72 | 72 | 0% |
| Night visions x 2 | | 69 | 69 | 0% |
| Repeaters | | 150 | 150 | 0% |
| CCTV Cameras and solar installations | | 653 | 653 | 0% |
| Total | 400 | 1 231 | 1 231 | 0% |
| T3.20.6 | | | | |

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL

Priority 1:

Freeway Patrol and Speed measuring

Speed Law enforcement prosecution enforced on approved road sites with more accidents and where motorists have a tendency of driving beyond the prescribed speed limit due to road construction.

Traffic vehicles improved response time during service delivery protest and freeway. R59 Traffic is better managed to ensure high visibility of law enforcement.

Priority 2:

Moving violations roadblocks and law enforcement activities as well as Drinking and Driving Operations conducted with other law enforcement agencies including Provincial law enforcement agencies.

Magistrates Courts are supportive in terms of traffic fines which need urgent attention such as NAG (No Admission of Guilt).

Traffic fines and court rolls are better managed to ensure compliance.

Priority 3:

Providing school road safety education, working closely with Department of Education on School Road Safety Education, Scholar Patrols and Road Safety Compliance. Road safety for the learners.

Conducting consistent public transport roadworthy tests and operator valid driver's licences.

Priority 4

Providing proper signage which is visible and of high quality. Improving safety by providing road markings and signs for clear directions. Residential street names and proper signage to minimise confusion on house addresses to lower the response time in case of call out to emergencies.

Clear information of prohibited activities and warning signs on dangerous zones or streets for criminal activities.

Effective technical and maintenance programme in place to cover all municipal wards as well as municipality main roads.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

1. Fire Operations

Midvaal have strengthened their operational section with two structural fire fighter teams and a grass fire crew.

2. Fire Safety

The following were conducted to ensure achievement of compliance to the Fire Safety Plan:

| | |
|---------------------------------------|-------|
| Inspections | 3 296 |
| Building Plans | 1 367 |
| Land-use application | 276 |
| Fire Risk Assessment | 0 |
| Pre-schools, Primary and High schools | 43 |
| Old age homes | 17 |
| High Risk Industries | 71 |

The increase of building plans and land use applications indicate an increase of development in the area.

3. Fire Protection Association (FPA)

- FPA is divided into ten sectors which fall under the Gauteng umbrella and each sector is responsible for its own area
- The FPA have a total of 804 members
- The FPA attended to 171 grassfires

With the increase of members in the FPA, additional sectors were added for more effective control and management. It is noticed that there is a decrease in fire calls because of the better management under the farmers.

4. Public Information, Education and Relations (PIER)

- PIER was held through 31 events by visiting crèches, pre-schools and schools and demonstrating fire awareness programmes, evacuation drills and "learn not to burn" lectures to assist in early childhood development.
- A total of 2 017 people were reached with these events throughout the 15 wards of Midvaal.
- Training was done with the community members on first aid and basic fire fighting.

There was a significant decrease in attendance and hosting of events which can be ascribed to a zero budget for PIER.

5. Training

Midvaal Protection Services started a training centre to assist with training for the community and to ensure that a high level of service delivery is maintained throughout the area.

The following training was conducted:

- FPA Grass and Wild-land fires
- Fire Fighter 1 & 2
- Hazmat Awareness & Operations
- Vehicle rescue training
- First Aid Level 1 to 3

A total of 1 728 people were trained.

6. Events

The Fire Department attended the following events which attracted 4 200 people.

- The Mayoral Soccer Challenge
- Fast One cycle race

With the geographical placement of Midvaal, more people are attending events and a noticeable increase of events is experienced.

50 additional events were hosted in the Midvaal area.

T 3.21.1

| Fire Service Data | | | | | |
|-------------------|--|------------|--------------|------------|--------------|
| | Details | 2015/16 | 2016/17 | | 2017/18 |
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Total fires attended in the year | 307 | 350 | 409 | 400 |
| 2 | Total of other incidents attended in the year | 883 | 850 | 706 | 800 |
| 3 | Average turnout time - urban areas | 100 | 90 | 2 min. | 3 min. |
| 4 | Average turnout time - rural areas | 100 | 90 | 2 min. | 3 min. |
| 5 | Fire fighters in post at year end | 72 | 85 | 68 | 71 |
| 6 | Total fire appliances at year end | 13 | 14 | 14 | 14 |
| 7 | Average number of appliance off the road during the year | 1 | 2 | 1 | 0 |
| | | | | | T 3.21.2 |

Comments Concerning T3.21.2

Operational

The fires attended consisted of the following: Commercial (restaurant, shops), storage (warehouses), industry (furniture, textile, metal), transport (vehicles, trucks aircraft), rubbish, grass and miscellaneous fires.

The 4,8 % increase in fires was because the fire department responded to more veld fires.

The other incidents attended were

A bomb scare, hazmat incidents, spillages (oil, petrol, diesel), special services, motor vehicle accidents, pedestrian vehicle accidents and medical assistance. The decrease of 10% in incidents might be due to the increase of PIER education with regards to safety in and around the house.

The turnout time to rural and urban areas are 3 minutes with a 97 % compliance with the guidelines given.

Personnel increase with 0.9 % compared to the previous year.

Appliance breakdown was kept to the minimum and attended to as quickly as possible to maintain a 0 breakdown level.

T 3.21.2.1

| Fire Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------|-----------------|--------|---------------|---------------|--------|-----------------|---------------|----------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | Actual | Actual | Target | Target | Target |
| Service Indicators (i) | Targets (ii) | *Previous (iii) | (iv) | *Previous (v) | *Current (vi) | (vii) | *Current (viii) | *Current (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.21.3 |

| Employees: Fire Services | | | | | |
|-----------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| Fire Fighters | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| Administrators | No. | No. | No. | No. | % |
| Chief Fire Officer & Deputy | 2 | 0 | 0 | 0 | 0% |
| Other Fire Officers | - | 0 | 0 | 0 | 0% |
| 0 - 3 | - | 1,00 | 1,00 | | 0% |
| 4 - 6 | 3 | 4 | 4 | | 0% |
| 7 - 9 | 29 | 32 | 31 | 1 | 3% |
| 10 - 12 | 13 | 11 | 11 | | 0% |
| 13 - 15 | 1 | 1 | 1 | | 0% |
| 16 - 18 | 25 | 22,00 | 18 | 4,00 | 18% |
| 19 - 20 | - | - | - | - | 0% |
| Total | 73 | 71 | 66 | 5 | 7% |
| T 3.21.4 | | | | | |

| Financial Performance 2016/17: Fire Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 1 006 | 4 506 | 4 506 | 4 455 | -1% |
| Expenditure: | | | | | |
| Fire fighters | 16 479 | 18 071 | 17 104 | 17 052 | 0% |
| Repairs and Maintenance | 518 | 556 | 1 078 | 1 078 | 0% |
| Other | 3 065 | 3 513 | 3 236 | 2 755 | -17% |
| Total Operational Expenditure | 20 062 | 22 140 | 21 418 | 20 884 | -3% |
| Net Operational Expenditure | 20 062 | 22 140 | 21 418 | 20 884 | -3% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.21.5 |

| Capital Expenditure: Fire Services | | | | |
|------------------------------------|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Upgrading CCTV | 20 | 22 | 18 | -16% |
| Machinery & Equipment | 180 | 207 | 207 | 0% |
| Fire Station Vaal Marina (MIG) | 4 000 | 4 000 | 3 734 | -7% |
| Total | 4 200 | 4 229 | 3 959 | -6% |
| T 3.21.6 | | | | |

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Priority 1

The main priority for the services is to finalise the building work of the Vaal Marina Fire Station.
The budget spent thus far since the commencement of the building work is

| Payment Certificate No. | Date Submitted | Amount | Date Paid |
|---|-----------------|----------------|-----------------|
| 01 | 31/3/2017 | R 495,933.63 | 21/04/2017 |
| 02 | 26/04/2017 | R 1,105,275.92 | 04/05/2017 |
| 03 | 31/05/2017 | R 521,503.33 | 08/06/2017 |
| 04 | 29/06/2017 | R 1,427,323.42 | 29/06/2017 |
| Program and progress | | | |
| Hand over date | 6 February 2017 | | |
| Commencement date | 6 February 2017 | | |
| Date of practical completion | 6 November 2017 | | |
| Number of planned working days | 196 | | |
| Number of days elapsed since commencement | 127 | | |
| Number of working days left | 69 | | |
| % time elapsed | 70% | | |
| % Overall progress | 58% | | |
| % Ahead | 0% | | |
| % Budget vs Expenditure | 50% | | |
| | | | T 3.21.7 |

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES

Disaster Management is a district function, but managed by the Chief Fire Officer in Midvaal. A new format for the Disaster Management Plan was received from National and the process has started to amalgamate the current plan into the requested format.

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T 3.22.2

| Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP | | | | | | | | | |
|--|-------------------------|----------------|--------|----------------|---------------|--------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| Service Indicators | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| | | (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.22.3 |

| Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | | |
|--|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | - | - | - | - |
| 4 - 6 | - | - | - | - | - |
| 7 - 9 | - | - | - | - | - |
| 10 - 12 | - | - | - | - | - |
| 13 - 15 | - | - | - | - | - |
| 16 - 18 | - | - | - | - | - |
| 19 - 20 | - | - | - | - | - |
| Total | - | - | - | - | - |

T 3.22.4

| Financial Performance 2016/17: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | | |
|---|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | | | | |
| Repairs and Maintenance | | | | | |
| Other | | | | | |
| Total Operational Expenditure | | | | | |
| Net Operational Expenditure | | | | | |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.22.5 |

| Capital Expenditure: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | |
|--|---------|-----------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Budget | Original Budget | Actual Expenditure | Variance from Adjustment budget |
| None | | | | |

T 3.22.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL OF PUBLIC NUISANCES OVERALL

Disaster Management support was provided from the district whereby Midvaal supplied the following:
42 blankets, 14 tents and 2 canvas coverings.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes community parks, sports fields, sports halls, stadiums, swimming pools and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The strategic objectives of the Sport and Recreation Section are:

- To promote total well-being by facilitating and coordinating equal access to sports and recreational facilities.
- To facilitate and encourage participation in various sporting codes, thereby unifying diverse cultures.
- To improve the quality of life of Midvaal residents with special focus on disadvantaged and rural communities.
- Providing and maintaining Sports and Recreational facilities and infrastructure with special emphasis on the disadvantaged and rural communities.
- To liaise with the Gauteng Department of Sport and Recreation and the Sedibeng District Municipality in order to ensure the promotion and facilitation of Sport Development in Midvaal.
- To ensure the sustainable establishment of a sports hub at the Sicelo MPC with the specific intention of promoting and developing sport amongst previously disadvantaged communities.
- To develop certain sporting programmes to assist the youth to develop in specific sporting codes (i.e. gymnastics, ringball, soccer and table tennis).

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

Although this section is more focussed on the provision of sport and recreation facilities and infrastructure, it does generate a small income from the entrance fees of the Meyerton Swimming Pool.

Consideration must be given to the fact that the swimming pool is seasonally operated and only available to the public from 1 September to 31 March.

14 informal soccer fields were graded.

T 3.23.1

| Sport and Recreation Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------------|--------------------|--------|------------------|-----------------------|--------|-------------------------|-----------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.23.2 |

| Employees: Sport and Recreation | | | | | |
|---------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2013/14 | 2014/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | - | - | - | 0% |
| 4 - 6 | 1 | 1 | 1 | - | 0% |
| 7 - 9 | - | - | - | - | 0% |
| 10 - 12 | 2 | 2 | 2 | - | 0% |
| 13 - 15 | - | - | - | - | 0% |
| 16 - 18 | - | - | - | - | 0% |
| 19 - 20 | - | - | - | - | 0% |
| Total | 3 | 3 | 3 | 0 | 0% |
| T 3.23.3 | | | | | |

| Financial Performance 2016/17: Sport and Recreation | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 4 312 | 4 084 | 3 106 | 2 774 | -12% |
| Expenditure: | | | | | |
| Employees | 9 973 | 11 502 | 11 398 | 9 918 | -15% |
| Repairs and Maintenance | 5 364 | 6 840 | 6 744 | 5 212 | -29% |
| Other | 4 451 | 5 377 | 5 474 | 4 282 | -28% |
| Total Operational Expenditure | 19 788 | 23 720 | 23 616 | 19 412 | -22% |
| Net Operational Expenditure | 19 788 | 23 720 | 23 616 | 19 412 | -22% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.23.4 |

| Capital Expenditure: Sport and Recreation | | | | |
|---|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| 10 X Brush Cutters | 40 | 26 | 26 | 0% |
| Large Chainsaws | 40 | 23 | 23 | 0% |
| Telescopic Pole Pruners | 25 | 18 | 18 | 0% |
| Wood Chipper | 600 | 872 | | -100% |
| Ablution Block Expansion | 100 | 60 | 9 | -86% |
| Lakeside Sport Centre (MIG) | 2 500 | 1 350 | 654 | -52% |
| Sicelo Sports Complex (MIG) | 500 | 672 | 469 | -30% |
| Total | 3 805 | 3 020 | 1 198 | -60% |
| T 3.23.5 | | | | |

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Sport and Recreation had two major capital projects namely: Sicelo Football Field (MIG): Completion of fence installation and procurement for ablution completed.

18 x Parks were established and upgraded, from which various communities benefit: Play equipment, dustbins, benches, soccer, rugby and netball posts, outdoor gym, new ablutions, braai area and paving.

4 x Multi-purpose centres were upgraded: Sicelo Multi-purpose Centre, Bantu Bonke Multi-purpose Centre, Lakeside Soccer field, Meyerton Sports Facilities. Early Childhood Development Centre, clinic, library, new ablution block, new soccer field, ring ball court, caretaker's house, community hall, outdoor gym, netball courts, dustbins, benches, cricket field and squash courts. Various communities benefit from these projects.

Other smaller capital projects included: Purchasing of 2 ride-on lawn-mowers with trailers

T.3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Due to the small category of municipality and a small staff complement, this council does not have a corporate policy office. Policies are developed by the various departments, management and/or political wing as may be appropriate. These policies are submitted for approval. A control file is maintained containing all policies. The policy file is reviewed at specified intervals.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes the Office of the Executive Mayor / Councillors and the Municipal Manager

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Council (headed by the Speaker) is the legislative and oversight authority in the municipality. The executive function and day-to-day running of the municipality is dealt with by the Executive Mayor and the Mayoral Committee together with the Municipal Manager and the top management team. The clear role clarification streamlines service delivery and enhances efficiency and effectiveness of performance. A clear distinction has been drawn between these functions and is regulated by Council's System of Delegations.

T 3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

In view of the fact that Midvaal does not have a corporate policy office, the service delivery priorities are set out in the various departmental activities, reflected in the different sections in this report (e.g. see Chapter 3).

T 3.24.2

| The Executive and Council Policy Objectives Taken From IDP | | | | | | | | | |
|--|-------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives | Outline Service Targets | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | Actual | Actual | Target | Target | Target |
| Service Indicators (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.24.3 |

| Employees: The Executive and Council | | | | | |
|--------------------------------------|-----------|---------|---|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | | } | None. Staff are reflected in the department Corporate Services. | | |
| 4 - 6 | | | | | |
| 7 - 9 | | | | | |
| 10 - 12 | | | | | |
| 13 - 15 | | | | | |
| 16 - 18 | | | | | |
| 19 - 20 | | | | | |
| Total | | | | | |
| T 3.24.4 | | | | | |

| Financial Performance 2016/17: The Executive and Council | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 6 709 | 6 153 | 6 153 | 6 153 | 0% |
| Expenditure: | | | | | |
| Employees | 19 681 | 21 628 | 22 974 | 21 736 | -6% |
| Repairs and Maintenance | 70 | 165 | 76 | 23 | -227% |
| Other | 10 925 | 18 240 | 16 352 | 14 283 | -14% |
| Total Operational Expenditure | 30 676 | 40 032 | 39 403 | 36 042 | -9% |
| Net Operational Expenditure | 30 676 | 40 032 | 39 403 | 36 042 | -9% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.24.5 |

| Capital Expenditure: The Executive and Council | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Mayoral Vehicle | 650 | 541 | 541 | 0% |
| Laptop x 2 | | 39 | 39 | 0% |
| Airconditioner | | 7 | 7 | 0% |
| Total | 650 | 586 | 586 | 0% |
| T 3.24.6 | | | | |

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Please see the note in T3.24 above confirming that this Council does not have a separate or dedicated corporate policy office.

The performance of the Executive and Council is reflected in the various departmental reports as per the preceding Chapter 3 entries.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The department is tasked with the provision of financial services in an accountable, effective and transparent manner. Strict measures are in place to protect the financial integrity of the municipality as well as to ensure compliance with the MFMA.

The following main services are rendered by the department (with an indication of main activities and/or achievements for the year):

Asset Management

Completion of full asset verification (including condition assessment).

Asset register module of the Solar financial system implemented in preparation for mSCOA implementation on 1 July 2017.

Financial Reporting

Financial Statements finalised and submitted as required – clean audits achieved for the 2013/2014, 2014/2015 and 2015/16 financial years.

OPCA plan compiled and implemented.

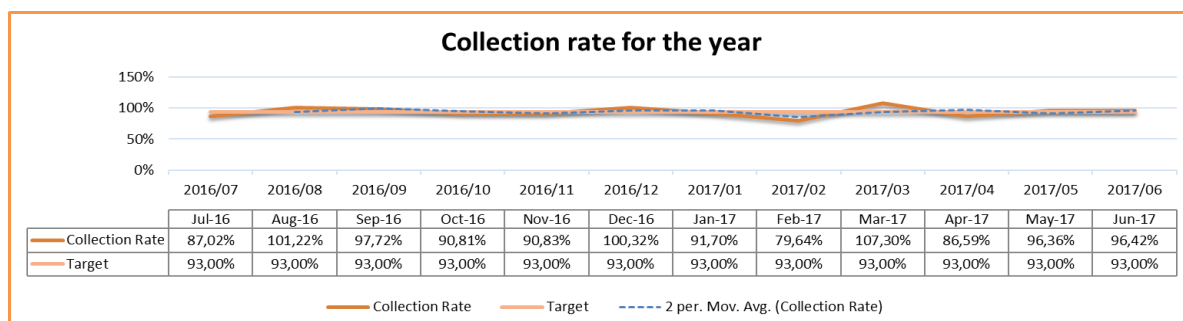
Budget tabled and approved in line with legislative deadlines.

Monthly and quarterly reports submitted in line with legislative deadlines.

All financial policies reviewed.

Revenue Management, including billing and collection of municipal rates and service charges

A cash collection rate of 94% was achieved during the year. The graph below shows the collection rate per month, the annual target as well as a moving two month collection average.



Meter readings is a particular challenge in a municipal environment and as most others, Midvaal strives to improve meter reading. A process was started to replace old and dysfunctional pre-paid water meters, audits were conducted on households with low and/or no consumption registered on their meters and ongoing interactions are taking place with customers with water and electricity meters that are not accessible to the meter readers. During the coming financial year, further efforts will be made to increase the number of water meters to which the meter readers have access, which will, amongst others, include a pilot project to be undertaken on pre-paid water meters.

Expenditure Management, including the rendering of a payroll function

Expenditure management is an ongoing function with the aim of improving creditor's efficiency by ensuring all creditors are paid within 30 days. More than 99% of all invoices are paid within 30 days with only invoices that are in dispute being paid later. A single pay-roll function is rendered where employees are paid via EFT's on a monthly basis. All statutory deductions are paid over to the relevant bodies within the prescribed timeframes.

There were no cases of unauthorised, fruitless, wasteful or irregular expenditure during the year under review.

T 3.25.1

| Debt Recovery | | | | | | | |
|--|------------------------------------|---|----------------|------------------------------------|---|---|---|
| R' 000 | | | | | | | |
| Details of the types of account raised and recovered | 2015/16 | | 2016/17 | | | 2017/18 | |
| | Actual for accounts billed in year | Proportion of accounts value billed that were collected in the year % | Billed in Year | Actual for accounts billed in year | Proportion of accounts value billed that were collected % | Estimated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| Water | 151 367 | 93.48% | 146 465 | 153 319 | 93.76% | 178 514 | 94.00% |
| Assessment Rates | 172 283 | 98.13% | 187 277 | 177 182 | 93.76% | 183 107 | 94.00% |
| Sewer | 29 800 | 91.38% | 22 222 | 33 254 | 93.76% | 37 412 | 94.00% |
| Refuse | 28 935 | 93.38% | 24 508 | 30 432 | 93.76% | 35 918 | 94.00% |
| Electricity | 218 663 | 98.01% | 253 692 | 252 268 | 93.76% | 320 861 | 94.00% |
| | | | | | | | |
| | | | | | | | T 3.25.2 |

Concerning T 3.25.2

A cash collection rate of 93.76% was achieved during the year. Midvaal applies its credit control policy consistently and regularly hands over debt to the debt collection attorneys, where accounts remain unpaid for more than three months. A new panel of debt collectors were appointed during the year and the focus is on both soft and hard collections.

The debt collection policy will again be reviewed during the 2017/2018-financial year to ensure effective, but fair debt collection practices are applied.

T 3.25.2.1

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|------------------------------------|--------------------|----------------|------------------|-----------------------|-----------------|-------------------------|-----------------------|-------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | Actual (iv) | *Previous (v) | *Current Year (vi) | Actual (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.25.3 |

| Employees: Financial Services | | | | | |
|-------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 4 | 5 | 5 | | 0% |
| 4 - 6 | 17 | 19 | 16 | 3,00 | 16% |
| 7 - 9 | 33 | 42 | 35 | 7 | 17% |
| 10 - 12 | - | - | - | | 0% |
| 13 - 15 | 3 | 3 | 3 | - | 0% |
| Temp Contract | 5 | 9 | 9 | - | 0% |
| Temp | 2 | 0 | 0 | - | 0% |
| Total | 64 | 78 | 68 | 10 | 13% |
| | | | | | T 3.25.4 |

| Financial Performance 2016/17: Financial Services | | | | | |
|--|---------|-----------------|-------------------|---------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 180 369 | 178 099 | 185 099 | 193 389 | 4% |
| Expenditure: | | | | | |
| Employees | 22 000 | 24 014 | 23 878 | 22 246 | -7% |
| Repairs and Maintenance | 189 | 256 | 256 | 114 | -126% |
| Other | 34 633 | 38 416 | 38 964 | 35 692 | -9% |
| Total Operational Expenditure | 56 821 | 62 686 | 63 099 | 58 051 | -9% |
| Net Operational Expenditure | 56 821 | 62 686 | 63 099 | 58 051 | -9% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.25.5 |

| Capital Expenditure: Financial Services | | | | |
|---|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| IT Equipment | 50 | 46 | 41 | -11% |
| Security Cameras | 35 | 37 | 37 | -1% |
| Office Furniture | | 58 | 58 | -1% |
| Data Projector | | 8 | 6 | -20% |
| Total | 85 | 150 | 142 | -5% |
| T 3.25.6 | | | | |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The department performed well. Debt collection targets were met and will remain the focus area for the 2017/2018-financial year. Expenditure was kept within the budget and no over-expenditures were incurred.

The following areas will be prioritised during the next financial year:

Improved Revenue Management

- Ongoing improvements in revenue management, including ongoing completeness of revenue reconciliations;
- Collection rate of 94% targeted;
- Reduction of outstanding government debt – various initiatives are underway with the Gauteng Provincial Government to reduce government debt and ensure ongoing payment for services;
- Reduction in interim billings (i.e. improved meter reading);
- Improved indigent management.

Improved Expenditure Management

- Ongoing implementation of cost containment measures in line with the National Treasury MFMA Circular 82 (Cost Containment Measures);
- Compliance with Supply Chain Management turn-around time standards.

Improved Liquidity Management

Increased cash holdings as measured through the liquidity ratio, cost coverage ratio and number of days cash holdings

Improved Governance

- ❖ Top risks managed and mitigated via risk management process – updated Strategic and Operational Risk Registers to form the basis of risk management processes;
- ❖ Ongoing GRAP compliance;
- ❖ Municipal Standard Chart of Accounts (mSCOA) implementation;
- ❖ Increased Repair and Maintenance budget (R & M) (increased allocations in the budget).

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Since the beginning of the year, there has been tremendous achievement in terms of Human Resources operations. All relevant human resource policies are in place. There is a fully functional Local Labour Forum and Employment Equity Forum which serve as the custodians of employer and employee relations. There is a bursary scheme in the form of "Study Assistance" which has helped employees to achieve their academic dreams, including utilisation of training resources which assisted immensely in developing employees.

There has also been the introduction of new systems and processes which aid efficiency. The introduction of an electronic recruitment job board has increased representation and provides Midvaal with a wider range of candidates from which to source when recruiting staff. The introduction of a functional Time & Attendance Electronic System and Electronic Leave Self Service are also two processes that are assisting with operational requirements.

Employees' Assistance Programmes are also in place which have contributed substantially towards the social and psychological upliftment of employees' morale and sense of belonging.

Having achieved all that, the road is still long and the challenges will always be addressed through effective human resources intervention.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resources main functions (services) include amongst others the following:

- Recruitment & Selection
- Training & Development
- Employee Assistance Programmes, including: Leave, Benefits, HIV Workplace Programme and Attendance Management
- Labour Relations & Occupational Health & Safety

T 3.26.2

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|--------------------|--------|------------------|-----------------------|---------|-------------------------|-----------------------|-------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.26.3 |

| Employees: Human Resource Services | | | | | |
|------------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2014/15 | 2015/16 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 3 | 4 | 2 | 2 | 50% |
| 4 - 6 | 10 | 10 | 10 | 0 | 0% |
| 7 - 9 | 6 | 8 | 7 | 1 | 13% |
| 10 - 12 | - | - | - | - | 0% |
| 13 - 15 | 1 | 1 | 1 | - | 0% |
| 16 - 18 | 0 | 0 | 0 | - | 0% |
| 19 - 20 | - | - | - | - | - |
| Total | 20 | 23 | 20 | 3 | 13% |
| | | | | | T3.26.4 |

| Financial Performance 2016/17: Human Resource Services | | | | | |
|---|---------------|-----------------|-------------------|---------------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 318 | 642 | 642 | 371 | -73% |
| Expenditure: | | | | | |
| Employees | 7 064 | 8 480 | 8 138 | 7 441 | -9% |
| Repairs and Maintenance | 25 | 38 | 73 | 29 | -152% |
| Other | 3 533 | 3 986 | 4 176 | 3 931 | -6% |
| Total Operational Expenditure | 10 623 | 12 504 | 12 387 | 11 402 | -9% |
| Net Operational Expenditure | 10 623 | 12 504 | 12 387 | 11 402 | -9% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.26.5 |

| Capital Expenditure: Human Resource Services | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Recording system | | 60 | 24 | |
| CCTV Upgrade | | 101 | 99 | |
| Computer Replacements | 20 | 16 | 16 | 0% |
| Clocking System | | | | |
| Air-conditioners | | 29 | 29 | 0% |
| Total | 20 | 207 | 169 | -18% |
| T 3.26.6 | | | | |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Human Resources is the heartbeat of any organisation and at Midvaal, Human Resources attempts to be market leaders. Tremendous achievement in terms of operations have been experienced. This can be ascribed to the implementation of new processes and procedures. All human resource policies are in place and the continued success of the Local Labour Forum and Employment Equity Forum also contributes to sound employer and employee relations.

The annual performance measurement in terms of the Service Delivery and Budget Implementation Plan is monitored on a quarterly basis and the performance was met or exceeded on a continuous basis throughout the year.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) Services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The overall ICT function is a district function, with the local municipalities being responsible for:

- Internal LAN/WAN management;
- Maintenance of ICT Hardware;
- Procurement of Hardware/Software;
- Systems administration and operations on servers (daily back-ups etc.);
- Managing of the general ICT operations.

For this reason the internal ICT function is rendered by a Strategic Manager, 4 x internal Junior Technicians and 1 x Helpdesk Operator. Midvaal is also responsible for the cost applicable to its own staff and to the internal function (i.e. hardware and software). Midvaal operates on the Novell System and is linked to the Sedibeng District Council and Emfuleni Local Municipality via Wide Area Network (WAN). Provision has been made for a disaster recovery site (DR) situated at the Fire Station and the Disaster Recovery Server is situated on this site.

The main focus for the ICT function is to provide a secure, speedy and reliable service to the users. Resources have been allocated to support these performance targets. Because of the relatively distant different offices, Midvaal had to resolve connectivity problems in the year under review.

Progressive improvements will be further addressed on a continuous basis. The virtualisation of ICT servers and storage has been concluded in the 2016/17-financial year.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

Summation of the Monthly reports to Determine whether the Baseline for calls serviced and Network uptime was achieved. For the PERIOD 1 JULY 2016 to 30 JUNE 2017

| Month | % uptime Network Baseline % uptime Network = 90% | % of calls attended to in 60 Minutes Baseline = 90 % | no. of Calls Logged | % Uptime of Servers Baseline % uptime Servers = 90% |
|----------------|--|--|---------------------------|--|
| July-16 | 100,00% | 100,00% | 194 | 100,00% |
| AUG-2016 | 100,00% | 100,00% | 214 | 99,75% |
| Sept-2016 | 100,00% | 100,00% | 208 | 100,00% |
| OCTOBER 2016 | 99,34% | 100,00% | 195 | 100,00% |
| NOVEMBER 2016 | 95,53% | 98,60% | 209 | 100,00% |
| DECEMBER 2016 | 99,37% | 96,60% | 120 | 100,00% |
| January 2017 | 91,35% | 98,40% | 244 | 91,50% |
| Febraury 2017 | 100,00% | 98,10% | 265 | 100,00% |
| March 2017 | 99,90% | 97,60% | 249 | 99,60% |
| APRIL 2017 | 100,00% | 100,00% | 272 | 100% |
| MAY 2017 | 98,81% | 99,62% | 334 | 95,50% |
| JUNE 2017 | 100,00% | 100,00% | 253 | 100,00% |
| Total for year | 98,69% | 99,08% | 2757 | 98,86% |

T 3.27.2

| ICT Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------|--------------------|--------|------------------|------------------|--------|--------------------|------------------|-------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current (vi) | (vii) | *Current (viii) | *Current (ix) | *Following (x) |
| See Annexure T | | | | | | | | | |
| | | | | | | | | | T 3.27.3 |

| Employees: ICT Services | | | | | |
|-------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | - | 0 | 0 | 0 | 0% |
| 4 - 6 | - | 3 | 2 | 1 | 33% |
| 7 - 9 | 5 | 6 | 3 | 3 | 50% |
| 10 - 12 | - | - | 0 | 0 | 0% |
| 13 - 15 | - | - | 0 | 0 | 0% |
| 16 - 18 | - | - | 0 | 0 | 0% |
| 19 - 20 | - | - | 0 | 0 | 0% |
| Total | 5 | 9 | 5 | 4,00 | |
| | | | | | T3.27.4 |

| Financial Performance 2016/17: ICT Services | | | | | |
|---|---------|-----------------|-------------------|--------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | 1 277 | 1 368 | 1 477 | 1 471 | 0% |
| Repairs and Maintenance | 74 | 107 | 90 | 89 | 0% |
| Other | 3 033 | 5 393 | 5 667 | 5 418 | -5% |
| Total Operational Expenditure | 4 383 | 6 868 | 7 234 | 6 979 | -4% |
| Net Operational Expenditure | 4 383 | 6 868 | 7 234 | 6 979 | -4% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.27.5 |

| Capital Expenditure: IT Services | | | | |
|----------------------------------|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| mSCOA Server | | 1 815 | 1 755 | -3% |
| Sepsesam Backup Solution | 480 | 22 | 21 | -1% |
| Upgrade Network Switches | 80 | 48 | 48 | 0% |
| New Computers & Laptops | 75 | 390 | 344 | -12% |
| IT Network Infrastructure | | 1 076 | 1 076 | 0% |
| Total | 635 | 3 351 | 3 244 | -3% |
| | | | | T 3.27.6 |

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

Although occasional connectivity problems were experienced, these were identified, addressed and resolved. Further improvements will be affected on a continuous basis in terms of inter alia the service objectives and targets.

T3.27.7

3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property, legal, risk management and procurement services

INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The property portfolio of the municipality is being managed on an ongoing basis – the properties mainly relate to land and buildings that are either currently used or are earmarked for the rendering of municipal services. Risk management processes are in place as detailed in the relevant sections of this annual report. Procurement resides under the Finance Department and is discussed in detail under the section dealing with financial management.

T3.28.1

SERVICE STATISTICS FOR PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

T 3.28.2

| Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP | | | | | | | | |
|---|------------------------------------|--------------------|--------|------------------|-----------------------|---------|-------------------------|---|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | 2015/16 | | 2016/17 | | 2017/18 | 2018/19 | |
| | | Target | Actual | Target | Actual | | Target | |
| | | *Previous (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) *Following (x) |
| See Annexure T | | | | | | | | |
| | | | | | | | | T 3.28.3 |

| Employees: Property; Legal; Risk Management; and Procurement Services | | | | | |
|---|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level | 2015/16 | 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | - | 0% |
| 4 - 6 | 3 | 0 | 0 | 0 | 0% |
| 7 - 9 | - | 0 | 0 | 0 | 0% |
| 10 - 12 | - | 0 | 0 | 0 | 0% |
| 13 - 15 | - | 0 | 0 | 0 | 0% |
| 16 - 18 | - | 0 | 0 | 0 | 0% |
| 19 - 20 | - | 0 | 0 | 0 | 0% |
| Total | 5 | 2 | 2 | - | 0% |
| | | | | | T 3.28.4 |

| Financial Performance 2016/17: Property; Legal; Risk Management and Procurement Services | | | | | |
|---|---------------|-----------------|-------------------|---------------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 203 | 208 | 208 | 67 | -209% |
| Expenditure: | | | | | |
| Employees | 9 148 | 9 418 | 9 546 | 9 436 | -1% |
| Repairs and Maintenance | 23 | 45 | 102 | 87 | -17% |
| Other | 3 687 | 5 511 | 5 475 | 4 709 | -16% |
| Total Operational Expenditure | 12 858 | 14 975 | 15 123 | 14 232 | -6% |
| Net Operational Expenditure | 12 858 | 14 975 | 15 123 | 14 232 | -6% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.28.5 |

| Capital Expenditure: Property; Legal and Risk Management | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Additional Carports | | 17 | 17 | 0% |
| Land Purchases (Expropriations) | | 17 | 17 | 0% |
| Air conditioner | 10 | 35 | 35 | 0% |
| Office Furniture | | 23 | 20 | |
| Erf 191 Meyerton Farms (Credit Control) | | | 32 | |
| Airconditioner | | 35 | 35 | 0% |
| Total | 10 | 127 | 155 | 22% |
| T 3.28.6 | | | | |

| Capital Expenditure: Engineering Admin | | | | |
|--|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Engineering Computers | 50 | 50 | 50 | 0% |
| Standby Generator | 10 | 8 | 8 | 0% |
| Total | 60 | 58 | 58 | 0% |
| T 3.28.6A | | | | |

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

Various land transactions are in the process of being registered at the Deeds Office.

T 3.28.7

3.29 SAVANNA CITY

| Financial Performance 2016/17: Savanna City | | | | | |
|---|--------------|-----------------|-------------------|---------------|------------------------|
| R'000 | | | | | |
| Details | 2015/16 | 2016/17 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Adj Budget |
| Total Operational Revenue | 8 799 | 26 587 | 17 949 | 20 707 | 13% |
| Expenditure: | | | | | |
| Employees | 4 402 | 5 573 | 5 790 | 5 082 | -14% |
| Repairs and Maintenance | | 201 | 201 | | |
| Other | 1 753 | 19 372 | 11 730 | 5 568 | -111% |
| Total Operational Expenditure | 6 155 | 25 146 | 17 722 | 10 649 | -66% |
| Net Operational Expenditure | 6 155 | 25 146 | 17 722 | 10 649 | -66% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.29.5 |

| Capital Expenditure: Savanna City | | | | |
|-----------------------------------|-----------------|-------------------|--------------------|---------------------------------|
| R' 000 | | | | |
| Capital Projects | 2016/17 | | | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance from Adjustment budget |
| Small Municipal Depot | 400 | 50 | 49 | -2% |
| IT Equipment | 10 | 16 | 13 | -20% |
| Furniture & Equipment | 10 | 32 | 32 | 0% |
| Development Of Parks | 500 | 700 | 284 | -59% |
| Vehicles | 300 | 289 | 265 | -8% |
| Endowment Savanna City | | | | |
| Prefabricated Site Office | 200 | 144 | 148 | 3% |
| Total | 1 420 | 1 231 | 791 | -36% |
| T 3.29.6 | | | | |

COMPONENT J: MISCELLANEOUS

This component includes the provision of airports, abattoirs, municipal courts and forestry as municipal enterprises

INTRODUCTION TO MISCELLANEOUS

These are functions of the Sedibeng District Council and the Gauteng Provincial Government.

T 3.29.0

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes the Annual Performance Scorecard Report for the year under review

| Plan Number: Plan Name | | | | | | | | | | | | | | | | | |
|---|----------------------------|---------------------------|----------------------------------|--------|---------|----------------------|---------------|-----------------------|-----------------|------------------|------------------|---------------------------------|---------------------------------------|--|---------------------|------------------------|-----------------------|
| No. | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Demand | Backlog | Annual Target (Year) | 5 Year Target | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/ Not Achieved) | Measures taken to improve performance | Performance Monitoring Quality Assurance comment | Management Response | Internal Audit Comment | Portfolio of Evidence |
| All information is included in the organisational scorecards attached to this Annual Report (Annexure T) | | | | | | | | | | | | | | | | | |
| <i>Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural environment, Plan 2: Economic Development and job creation, Plan 3: Quality living environment, Plan 4: Safe, healthy and secure environment, Plan 5: Empowering our citizens, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability.</i> | | | | | | | | | | | | | | | | | |

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The Municipal Organisational Structure was reviewed, amended and approved by the Midvaal Council in May 2015. The Structure was approved in conjunction with the Salary Budget for the 2016/2017- financial year. In terms of the Municipal Systems Act 32 of 2000, Midvaal submitted a Staff Establishment document in terms of the principles set out within the regulations, as contained in Chapter 2. The Staff Establishment is approved for a period of three (03) financial years viz. 2017/2018; 2018/2019 & 2019/2020 and will be reviewed on an annual basis.

Midvaal has recruited a total of 84 employees (44 internal and 40 external appointments) for the 2016/2017 reporting period, across all departments within the municipality.

T 4.0.1

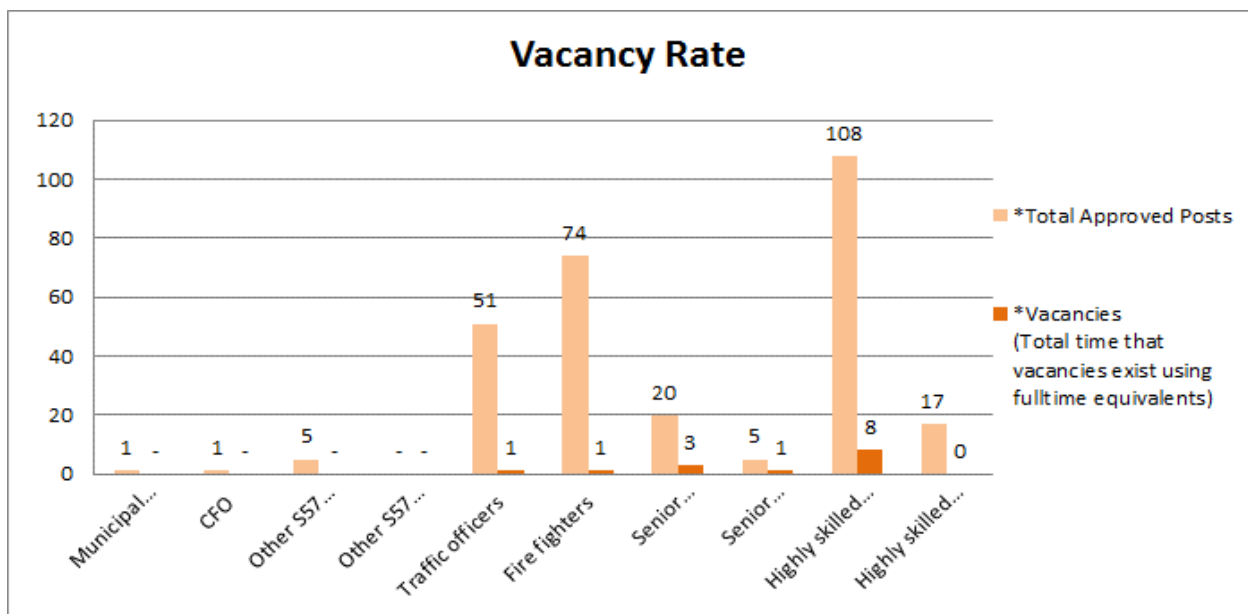
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Description | Employees | | | | |
|------------------------------------|------------------|--------------------------|------------------|------------------|----------------|
| | 2015/16 | 2016/17 | | | |
| | Employees No. | Approved Posts No. | Employees No. | Vacancies No. | Vacancies % |
| Water | 43 | 59 | 47 | 12 | 25.5% |
| Waste Water (Sanitation) | 50 | 69 | 46 | 23 | 50.0% |
| Electricity | 46 | 56 | 47 | 9 | 19.1% |
| Waste Management | 92 | 88 | 80 | 8 | 10.0% |
| Housing | 1 | 2 | 1 | 1 | 100.0% |
| Waste Water (Stormwater Drainage) | - | 0 | | 0 | |
| Roads | 44 | 70 | 56 | 14 | 25.0% |
| Transport | - | 0 | | 0 | |
| Planning | 30 | 37 | 29 | 8 | 27.6% |
| Local Economic Development | 1 | 1 | 1 | 0 | 0.0% |
| Planning (Strategic & Regulatory) | 7 | 6 | 6 | 0 | 0.0% |
| Community & Social Services | 83 | 97 | 92 | 5 | 5.4% |
| Environmental Protection | 5 | 6 | 6 | 0 | 0.0% |
| Health | 11 | 10 | 10 | 0 | 0.0% |
| Security and Safety | 123 | 117 | 111 | 6 | 5.4% |
| Sport and Recreation | 3 | 3 | 3 | 0 | 0.0% |
| Corporate Policy Offices and Other | 179 | 221 | 186 | 35 | 18.8% |
| Totals | 718 | 842 | 721 | 121 | 16.8% |
| T 4.1.1 | | | | | |

| Vacancy Rate: 2016/17 | | | |
|--|------------------------------|---|--|
| Designations | *Total Approved Posts No. | *Vacancies (Total time that vacancies exist using fulltime equivalents) No. | *Vacancies (as a proportion of total posts in each category) % |
| Municipal Manager | 1 | - | 0% |
| CFO | 1 | - | 0% |
| Other S57 Managers (excluding Finance Posts) | 5 | - | 0% |
| Other S57 Managers (Finance posts) | - | - | - |
| Traffic officers | 51 | 1 | 2% |
| Fire fighters | 74 | 1 | 1% |
| Senior management: Levels _____ (excluding Finance Posts) | 20 | 3 | 15% |
| Senior management: Levels _____ (Finance posts) | 5 | 1 | 20% |
| Highly skilled supervision: levels _____ (excluding Finance posts) | 108 | 8 | 7% |
| Highly skilled supervision: levels _____ (Finance posts) | 17 | 0 | 0% |
| Total | 282 | 14 | 4.96 |

T 4.1.2



| Turn-over Rate | | | |
|----------------|--|--|-----------------|
| Details | Total Appointments as of beginning of Financial Year No. | Terminations during the Financial Year No. | Turn-over Rate* |
| 2014/15 | 74 | 43 | 43/655= 6.5% |
| 2015/16 | 46 | 21 | 21/718 = 2.92% |
| 2016/17 | 84 | 67 | 67/721=6.26% |

* Divide the number of employees who have left the organisation within a year,
by total number of employees who occupied posts at the beginning of the year

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER

The 2016/2017 performance indicator for filling of vacancies was set at filling 80% of vacancies within three months after the placement of the advertisement. Midvaal averaged a filling rate of 86% for the 2016/2017-financial year. The annual figure of new employees increased from 658 to 667 permanent employees. The vacancy rate at the municipality is 16.8%

Staff turnover for the reporting period equates to 9.26%. Staff turnover was as a result of retirements (0.69%), resignations (6.24%), dismissals (1.80%) and death (0.55%).

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is achieved through proper human resources processes and procedures aligned to Section 67 of the Municipal Systems Act (Act 32 of 2000), which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. This is achieved through the Human Resource Strategy and Staff Establishment that are contained in the municipality's Integrated Development Plan (IDP). Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management.

1. Policy Review and Development

Midvaal, as an evolving and developmental Local Government Institution, regularly reviews its policies, processes and procedures so as to ensure that all processes followed, implemented and executed are open, transparent and aligned to legislative requirements so as to not unfairly discriminate against employees.

2. Workplace Programmes

2.1 Employee Assistance Programme (EAP)

Midvaal has an Employee Assistance Programme which is a workplace based programme designed to assist in the identification and resolution of productivity and psycho-social problems which may negatively affect the work performance of employees. Serious cases affecting employees and management are outsourced for professional assistance in appropriate circumstances.

The Employee Assistance Programme has proven to be a successful tool and many of the employees are benefiting from the programme.

2.2 HIV/AIDS Workplace Committee

Midvaal has a dedicated HIV/AIDS Committee whose main objective is to promote the well-being of employees affected by and infected with HIV/AIDS. The committee provides employees with information on various health issues related to HIV/AIDS and other related illnesses.

3. Labour Relations

Workforce management is almost impossible without sound discipline within the workplace. The Labour Relations Section, within the Human Resources Directorate, is effective and well recognised. In essence the objectives of this function are to:

- Ensure compliance with applicable relevant legislative requirements e.g. Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, etc.;
- Maintain good work relations with recognised Unions within the workplace;
- Ensure a fully functional Local Labour Forum and its operational systems. It consists of sub- committees dealing with Human Resources Development, Workplace and Services Restructuring and Basic Conditions of Employment;
- Ensure adherence to collective agreements applicable to municipalities as agreed to at the Local Government Bargaining Council;
- Ensure that discipline is corrective and progressive and not merely punitive;
- Ensure that processes and procedures are in place for the internal resolution of grievances which have the potential for litigation against Council in the form of disputes;
- Ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code;
- Ensure that the organisational rights agreements or main collective agreements are adhered to by having Shop Stewards elected in all departments of the municipality with all their activities regulated by the collective agreement.

4. Occupational Health & Safety

To ensure that employees have a healthy and safe working environment, the municipality complies with the Occupational Health & Safety Act and has a fully functional Health and Safety Committee. The Committee meets on a quarterly basis to address health and safety issues facing the municipality.

Midvaal also complies with legislation in terms of:

1. Legal appointment of the Municipal Manager in terms of Section 16.1 of the Act, including Managers reporting directly to the Municipal Manager in terms of Section 16.2 of the Act, have been effected;
2. Health and Safety Representatives are elected, trained and appointed for a period of three years as per the Occupational Health & Safety Act.

5. Employment Equity

In compliance with the Employment Equity Act, Act 55 of 1998, as amended, the municipality develops, amends and reviews the 5 year Equity Plan and has submitted the 2016-2021 Equity Plan to the Department of Labour. The Employment Equity Plan is reported on an annual basis and statutory reports (EEA2 & EEA4) are submitted to the Department of Labour within the legislated time frame.

Progress made in terms of Employment Equity is reported to the Mayoral Committee (quarterly) and submitted to the Local Labour Forum on a monthly basis to report the status quo.

Note: The Municipal Systems Act, 2000, Section 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act 1998.

T 4.2.0

4.2 POLICIES

| HR Policies and Plans | | | | |
|---|--|----------------|---------------|---|
| | Name of Policy | Completed % | Reviewed % | Date adopted by council or comment on failure to adopt |
| 1 | Electronic Communications Policy and Procedures | 100% | 0% | C206/11/2006 - 30/11/2006 |
| 2 | Allowance Policy Including: Acting Allowance Policy Cell Phone Allowance Policy Travelling Allowance Policy Scarcity Allowance Housing Allowance Night Shift Allowance SALGBC Levels of Bargaining (Allowances) | 100% | 100% | C1282/03/2015 - 24/03/2015 |
| 3 | Membership Fees Policy | 100% | 0% | C363/08/2008 - 28/08/2008 |
| 4 | Parking Policy | 100% | 100% | C412/01/2009 - 22/01/2009 |
| 5 | Induction Programme Policy | 100% | 0% | C1299/04/2015- 22/01/2009 |
| 6 | Post Retirement Medical Aid Subsidies | 100% | 100% | C1078/03/2014 - 27/03/2014 |
| 7 | Performance Recognition Policy | 100% | 0% | C489/08/2009 - 27/08/2009 |
| 8 | Year End Function Policy | 100% | 50% | C490/08/2009 - 27/08/2009 |
| 9 | Employee Assistance Program Policy (EAP) | 100% | 50% | C493/08/2009 - 27/08/2009 |
| 10 | Overtime Policy | 100% | 100% | C750/12/2011 - 01/12/2011 |
| 11 | Retirement Policy | 100% | 50% | C749/12/2011 - 01/12/2011 |
| 12 | Study Assistance Policy | 100% | 100% | C751/12/2011 - 01/12/2011 |
| 13 | Employment Equity Policy | 100% | 100% | C920/05/2013 - 28/05/2013 |
| 14 | Recruitment Policy | 100% | 100% | C921/05/2013 - 28/05/2013 |
| 15 | Sexual Harassment Policy | 100% | 100% | C922/05/2013 - 28/05/2013 |
| 16 | Professional Driving Permit Policy (PDP) | 100% | 50% | C1053/02/2014 - 27/02/2014 |
| 17 | Affirmative Action Policy | 100% | 100% | C954/08/2013 - 28/05/2013 |
| 18 | Promotion Policy | 100% | 100% | C955/08/2013 - 29/08/2013 |
| 19 | Employee Transfer Policy | 100% | 100% | C956/08/2013 - 29/08/2013 |
| 20 | Leave Policy | 100% | 100% | C1072/03/2014 - 27/03/2014 |
| 21 | Vehicle Policy | 100% | 100% | C1073/03/2014 - 27/03/2014 |
| 22 | Personal Protective Equipment and Clothing Policy | 100% | 100% | C1074/03/2014 - 27/03/2014 |
| 23 | Substance Abuse Policy | 100% | 100% | C1075/03/2014 - 27/03/2014 |
| 24 | Smoking Policy | 100% | 100% | C1076/03/2014 - 27/03/2014 |
| 25 | Time & Attendance Policy | 100% | 100% | C1077/03/2014 - 27/03/2014 |
| 27 | Other | 100% | 100% | |
| Use name of local policies if different from above and at any other HR policies not listed. | | | | T 4.2.1 |

COMMENT ON WORKFORCE POLICY DEVELOPMENT

Human Resources maintain and develop policies and procedures which comply with applicable legislation and provide the necessary guidelines and awareness to employees on issues related to the workplace. Policies and procedures are reviewed and updated as and when the need arises or due to operational changes.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number and Cost of Injuries on Duty | | | | | |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------|
| Type of injury | Injury Leave Taken | Employees using injury leave | Proportion employees using sick leave | Average Injury Leave per employee | Total Estimated Cost |
| | Days | No. | % | Days | |
| Required basic medical attention only | 76 | 31 | 0% | 0,41 | 30 747 |
| Temporary total disablement | 0 | 0 | 0% | 0 | 0 |
| Permanent disablement | - | - | 0% | - | - |
| Fatal | - | - | 0% | - | - |
| Total | 76 | 31 | 41% | 0 | 30747 |

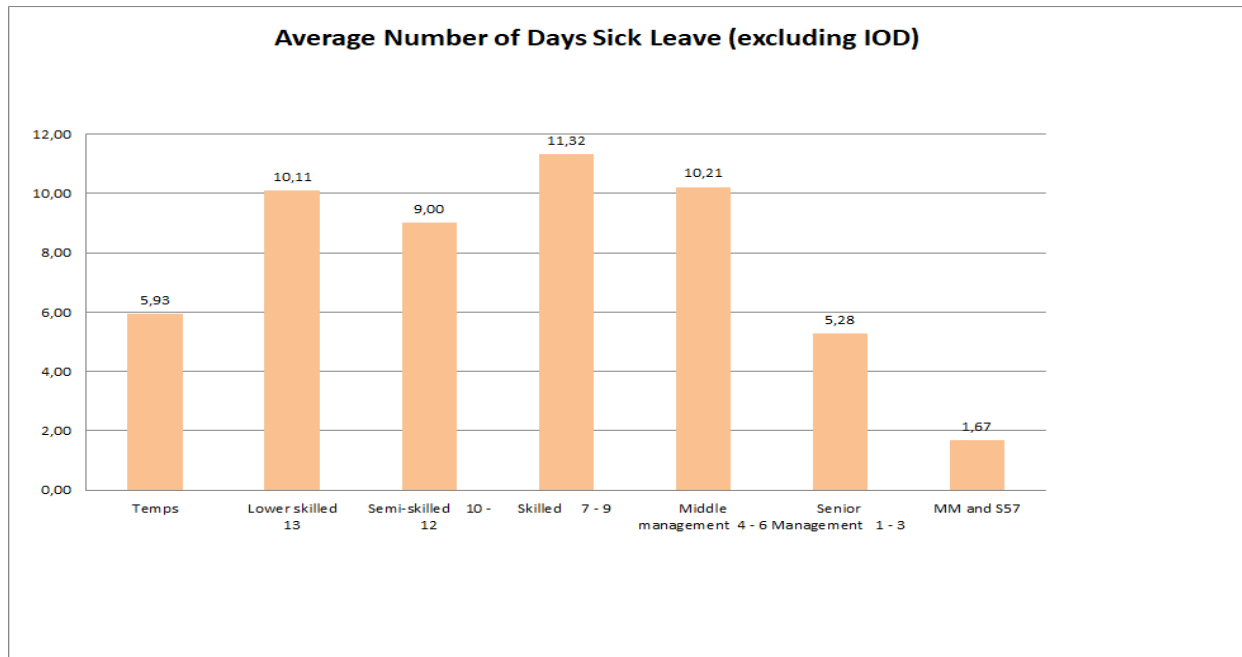
T 4.3.1

| Number of days and Cost of Sick Leave (excluding injuries on duty) | | | | | | |
|--|------------------|--|----------------------------|--------------------------|-----------------------------------|----------------|
| Salary band | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost |
| | Days | % | No. | No. | Days | |
| Temps | 83 | 1% | 14 | 47 | 5.93 | 1 541 |
| Lower skilled 13 | 1 324 | 8% | 131 | 186 | 10.11 | 4 161 |
| Semi-skilled 10 - 12 | 603 | 9% | 67 | 103 | 9.00 | 4 492 |
| Skilled 7 - 9 | 2 083 | 8% | 184 | 240 | 11.32 | 8 247 |
| Middle management 4 - 6 | 1 001 | 9% | 98 | 115 | 10.21 | 11 822 |
| Senior Management 1 - 3 | 132 | 18% | 25 | 24 | 5.28 | 8 604 |
| MM and S57 | 5 | 40% | 3 | 6 | 1.67 | 12 738 |
| Total | 5 231 | 13% | 522 | 721 | 53.52 | 51 605 |

* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE

Incidents where employees are injured on duty are reported in terms of COIDA. Incidents are reported to the Safety Officer, investigated and communicated to the relevant authorities and updated on the Umehluko Website of the Department of Labour.

Serious injuries are referred to a hospital that accepts compensation cases and the required process is followed in terms of follow-up visits as prescribed by the legislation. For injuries where longer absence from work is expected or recommended, Midvaal closely monitors the absence and the employee's Pension or Gratuity Fund is also informed that the employee has sustained a serious injury.

When an employee reports sick for work, the employee completes a sick leave application via the Employee Self Service link on PayDay. Sick leave is captured accordingly and closely monitored, in specific cases, where an employee shows signs of regular sick leave or pattern forming behaviour.

T 4.3.4

| Number and Period of Suspensions | | | | |
|--|------------------------------|--------------------|--|----------------|
| Position | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised |
| Admin Clerk | Illegal Protest Action | 20-Jul-16 | Charged for misconduct. Pending | Pending |
| Sport & Recreation Development Officer | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| Complaints Admin Officer | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| Records Clerk | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| Team Leader Officer | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| Pump Operator | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| Sub Accountant-Bid Specification | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/07/20 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| E-Learning Facilitator | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Plumber | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Traffic Officer | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Land Fill Site Supervisor | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Facility caretaker | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Youth Development Officer | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Electrician | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| General Worker | Illegal Protest Action | 2016/08/24 | Charged for misconduct. Pending | Pending |
| Chief Clerk | Illegal Protest Action | 2016/08/24 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/08/24 | Charged for misconduct. Pending | Pending |
| Snr Admin Officer | Illegal Protest Action | 2016/08/24 | Charged for Misconduct. | 22-May-17 |
| Team Leader Officer | Illegal Protest Action | 2016/08/24 | Charged for Misconduct. | 22-May-17 |
| General Worker | Illegal Protest Action | 2016/08/24 | Charged for Misconduct. | 22-May-17 |
| General Worker | Illegal Protest Action | 2016/08/24 | Charged for Misconduct. | 22-May-17 |
| General Worker | Illegal Protest Action | 2016/08/04 | Suspension Withdrawn | 24-Oct-16 |
| Junior Records Clerk | Racism | 2016/08/08 | Charged for misconduct. Pending | Pending |
| General Worker | Illegal Protest Action | 2016/10/06 | Charged for misconduct. Pending | Pending |
| Assistant Director: Sewer | Fraud | 2017/01/27 | Resigned | Resigned |
| Traffic Officer | Bribery | 2016/12/09 | Charged for Misconduct. | 31-May-17 |
| General worker | Illegal Protest Action | 2016/08/17 | Charged for misconduct, Partly Heard Matter | Pending |
| Team Leader | Illegal Protest Action | 2016/08/17 | Charged for misconduct, Partly Heard Matter | Pending |
| Foreman | Illegal Protest Action | 2016/08/24 | Charged for misconduct, Partly Heard Matter | Pending |
| Superintendent | Racism | 2016/06/30 | Charged for Misconduct. | 24-Jan-17 |
| General worker | Illegal Protest Action | 2016/10/21 | Charged for Misconduct. | 31-May-17 |
| General worker | Illegal Protest Action | 2016/10/21 | Charged for Misconduct. | 31-May-17 |
| Director Waste Management | Conflict of Interest | 2017/04/24 | Charged for misconduct. Scheduled on 25 August 2017 | Pending |
| | | | | |

T 4.3.5

| Disciplinary Action Taken on Cases of Financial Misconduct | | | |
|--|--|--|-----------------------------|
| Position | Nature of Alleged Misconduct and Rand value of any loss to the municipality | Disciplinary action taken | Date Finalised |
| Director Waste Management | Conflict of Interest | Investigation conducted to confirm whether there is "prima facie" evidence to institute disciplinary action. | Scheduled on 25 August 2017 |
| Assistant Director: Sewer & Purification | Irregular conduct relating to procurement and acting fraudulently with regards to invoices from service providers. | Investigation conducted to confirm whether there is "prima facie" evidence to institute disciplinary action. | Resigned |
| Assistant Director: Roads & Stormwater | Irregular conduct relating to procurement and acting fraudulently with regards to invoices from service providers | Investigation conducted to confirm whether there is "prima facie" evidence to institute disciplinary action. | Resigned |
| | | | T 4.3.6 |

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

Discipline is effectively managed and concluded within the relevant time-frames. During the 2016/2017 reporting period, the Municipality was faced with serious labour unrests that resulted in about 36 employees being suspended, due to serious allegations of misconduct. The relevant disciplinary enquiries are underway for these employees.

T 4.3.7

4.4 PERFORMANCE REWARDS

| Performance Rewards By Gender | | | | | |
|-------------------------------|---------------------|------------------------------------|-------------------------|------------------------|--|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards | Proportion of beneficiaries within group % |
| Lower skilled | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Skilled | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Highly skilled production | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Highly skilled supervision | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Senior management | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| MM and S57 | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Temporary Staff | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Sub Total | Female | 0 | - | - | 0% |
| | Male | 0 | - | - | 0% |
| Total | | 0 | - | - | |
| | | | | | T 4.4.1 |

COMMENT ON PERFORMANCE REWARDS

Midvaal has, in terms of Section 38 of the Municipal Systems Act, Act 32 of 2000, introduced an electronic Performance Management System (PMS) that is measuring performance across all levels. Performance assessments are currently conducted for the Municipal Manager and other Section 56-employees (Managers reporting directly to the Municipal Manager) and the process has been cascaded to Job Levels 1 - 4. The PMS is not linked to the payment of performance bonuses.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Midvaal develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is aimed at providing development support to employees and co-ordinating such development through structured learning.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). Training needs that have been identified through the Council's Annual Skills Audit and found to be a priority for the specific financial year (2016/2017) were addressed through formal & informal training programmes and skills programmes.

Midvaal annually submits a Workplace Skills Plan (WSP) and an Annual Training Report (ATR) as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA).

For the 2016/2017-financial year, the target of 90% spent on implementing the Workplace Skills Plan was set. Midvaal achieved a 97% on implementing its WSP aligned to the National Key Performance Indicator. A total number of 512 employees were trained in 49 programmes for the reporting period.

To measure the impact of training that has been conducted, a sample assessment is done by means of evaluation forms, that are completed by trainees immediately after the training has been conducted.

MFMA COMPLIANCE TO MINIMUM COMPETENCY REGULATIONS

Selected employees are currently being trained on the MFMA Competency Regulations. A total number of 28 employees were enrolled for the MFMA training program for the reporting period.

Key positions identified in the Minimum Competency Regulations have been trained and are compliant in terms of the MFMA. A training plan for all other officials that require being compliant, is currently being rolled out.

STUDY ASSISTANCE

Midvaal provides employees with an opportunity to further their formal studies through a study assistance/bursary scheme. This initiative motivates employees to further their studies within their respective vocations so as to enable them to perform their duties better and also promotes staff progression to higher levels within the organisation. The strategy is to link study assistance to personal development plans of employees and by so doing ensure a sustainable, well developed and professionally qualified workforce.

T 4.5

4.5 SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix | | | | | | | | | | | | | | |
|--|--------|--------------------------------------|--|---------------------|----------------|---|---------------------|----------------|-------------------------|---------------------|----------------|---------------------|---------------------|----------------|
| Management level | Gender | Employees in post as at 30 June 2017 | Number of skilled employees required and actual as at 30 June 2017 | | | | | | | | | | | |
| | | | Learnerships | | | Skills programmes & other short courses | | | Other forms of training | | | Total | | |
| | | No. | Actual: 30 Jun 2016 | Actual: 30 Jun 2017 | 2017/18 Target | Actual: 30 Jun 2016 | Actual: 30 Jun 2017 | 2017/18 Target | Actual: 30 Jun 2016 | Actual: 30 Jun 2017 | 2017/18 Target | Actual: 30 Jun 2016 | Actual: 30 Jun 2017 | 2017/18 Target |
| MM and s57 | Female | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 5 | 0 | 0 | 0 | 4 | 0 | 5 | 0 | 0 | 0 | 4 | 0 | 5 |
| Councillors, senior officials and managers | Female | 9 | 0 | 0 | 0 | 4 | 8 | 5 | 0 | 0 | 0 | 4 | 8 | 5 |
| | Male | 13 | 0 | 0 | 0 | 7 | 14 | 5 | 0 | 0 | 0 | 7 | 14 | 5 |
| Technicians and associate professionals* | Female | 2 | 0 | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 0 | 3 | 3 |
| | Male | 48 | 0 | 0 | 0 | 9 | 25 | 15 | 0 | 0 | 0 | 9 | 25 | 15 |
| Professionals | Female | 55 | 6 | 6 | 10 | 61 | 12 | 20 | 0 | 0 | 0 | 61 | 12 | 20 |
| | Male | 57 | 6 | 6 | 10 | 60 | 13 | 20 | 0 | 0 | 0 | 60 | 13 | 20 |
| Sub total | Female | 67 | 0 | 0 | 0 | 65 | 23 | 18 | 0 | 0 | 0 | 65 | 23 | 18 |
| | Male | 123 | 0 | 0 | 0 | 80 | 52 | 30 | 0 | 0 | 0 | 80 | 52 | 30 |
| Total | | 380 | 12 | 12 | 20 | 290 | 75 | 48 | 0 | 0 | 0 | 290 | 75 | 48 |

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

| Financial Competency Development: Progress Report* | | | | | | |
|--|---|---|--------------------------------|--|--|--|
| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials | | | | | | |
| Accounting officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Chief financial officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Senior managers | 5 | 0 | 5 | 5 | 5 | 5 |
| Any other financial officials | 59 | 0 | 59 | 16 | 0 | 16 |
| Supply Chain Management Officials | | 0 | | | | |
| Heads of supply chain management units | 1 | 0 | 1 | 1 | 0 | 1 |
| Supply chain management senior managers | 1 | 0 | 1 | 1 | 0 | 0 |
| TOTAL | 68 | 0 | 68 | 25 | 7 | 24 |

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

Note: The Municipal Manager, the Chief Financial Officer, five Heads of Department and the Head of Supply Chain Management (Director: Expenditure) are fully competent and compliant with the MFMA requirements. The other officials are all in the process of training to fully comply as well.

| Skills Development Expenditure | | | | | | | | | | |
|--------------------------------|--------|--------------------------------------|--|--------|--|-----------|-------------------------|--------|-----------------|--------|
| Management level | Gender | Employees in post as at 30 June 2017 | Original Budget and Actual Expenditure on skills development 2016/17 | | | | | | | |
| | | | Learnerships | | Skills programmes & other short courses contained in the WSP | | Other forms of training | | Total | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| Top Management | Female | 1 | – | | | 1140.00 | – | – | – | 1 |
| | Male | 5 | – | | | | – | – | – | – |
| Senior Management | Female | 8 | – | | 50 | 1140.00 | – | – | 50 | 1 |
| | Male | 10 | – | | 50 | 1140.00 | – | – | 50 | 1 |
| Middle Management | Female | 49 | – | | 90 | 44307.00 | – | 20 | 90 | 64 |
| | Male | 58 | – | | 100 | 296343.00 | – | 10 | 100 | 306 |
| Skilled | Female | 78 | – | | 350 | 70917.00 | – | 122 | 350 | 193 |
| | Male | 127 | – | | 294 | 141146.00 | – | 155 | 294 | 296 |
| Semi-Skilled | Female | 10 | – | | 20 | 54000.00 | – | – | 20 | 54 |
| | Male | 93 | – | | 30 | 30674.00 | – | 11 | 30 | 42 |
| Unskilled | Female | 52 | – | | 60 | 10330.00 | – | – | 60 | 10 |
| | Male | 128 | – | | 70 | 204082.00 | – | – | 70 | 204 |
| Temporary Staff | Female | 21 | – | | | | – | – | – | – |
| | Male | 19 | – | | | | – | – | – | – |
| Councillors | Female | 14 | – | | | | – | – | – | – |
| | Male | 15 | – | | | | – | – | – | – |
| Finance | Female | 42 | | | | 850.00 | – | – | – | 1 |
| | Male | 20 | | | | 2550.00 | – | – | – | 3 |
| Sub total | Female | 275 | | | | | – | – | – | – |
| | Male | 475 | | | | | – | – | – | – |
| Total | | 750 | – | – | 1 114 | 859 | – | 318 | 1 114 | 1 177 |
| *% and *R value of | | | | | | | | | | |
| | | | | | | | | | | T4.5.3 |

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

An annual skills audit is conducted for all employees within the second quarter of the financial year. The gaps identified inform the compilation of the Workplace Skills Plan (WSP) for the following financial year. An implementation plan is then developed, wherein the various training activities, are scheduled for the year. The training plan is monitored on a quarterly basis, to ensure progress, and also to report on any deviations related to it.

T 4.5.4

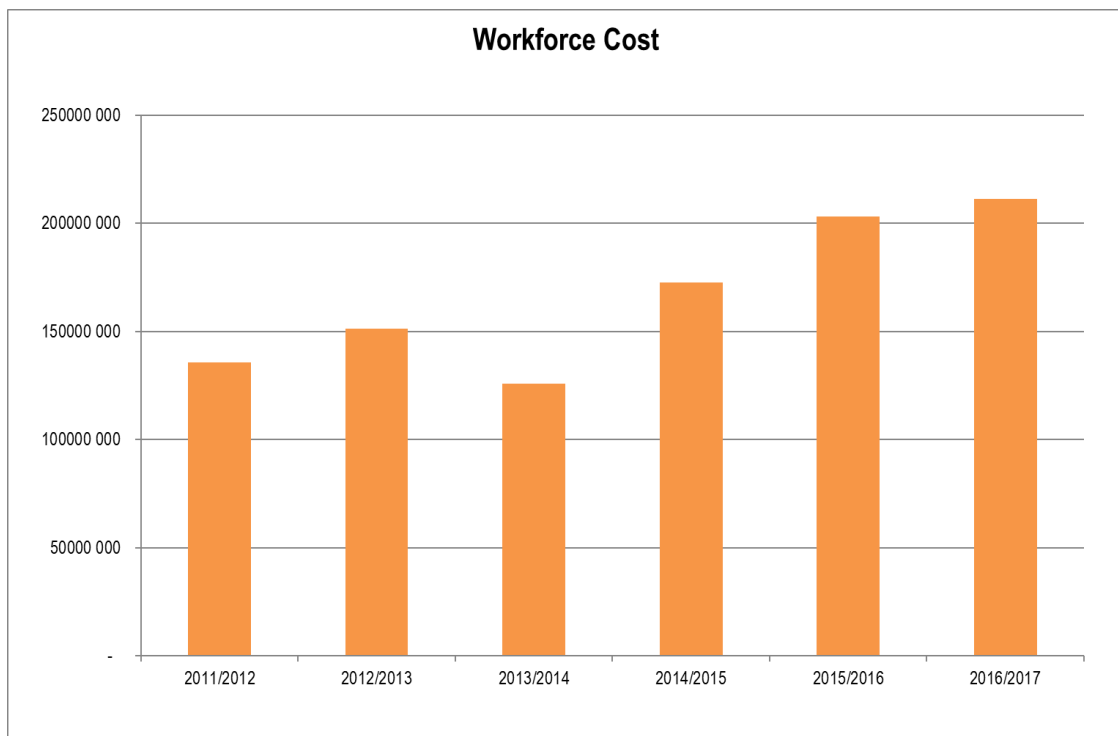
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is controlled and monitored by ensuring that all vacancies are budgeted for and that the vacancy appears on the organisational structure prior to filling the position. The confirmation of appointment is confirmed by Finance and approved by the Municipal Manager, prior making an offer of employment, to the recommended candidate. All expenditure is aligned to the salary budget for the specific financial year.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure is in line with the National norms and increased in line with inflation. The annual salary increase, as received from the South African Local Government Bargaining Council (SALGBC), is implementable from 01 July annually.

T 4.6.1.1

| Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded | | |
|--|--------|----------|
| Beneficiaries | Gender | Total |
| Lower skilled | Female | - |
| | Male | - |
| Skilled | Female | - |
| | Male | - |
| Highly skilled production | Female | - |
| | Male | - |
| Highly skilled supervision | Female | - |
| | Male | - |
| Senior management | Female | - |
| | Male | - |
| MM and S 57 | Female | - |
| | Male | - |
| Total | | 0 |
| Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above). | | T 4.6.2 |

| Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation | | | | |
|---|---------------------|----------------------|--------------------|---------------------------|
| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| ASSISTANT DIRECTOR | 1 | 4 | 422 748 | Contractual to individual |
| CHIEF PROFESSIONAL NURSE | 1 | 6 | 292 572 | |
| ADMIN CLERK | 1 | 7 | 235 464 | |
| ADMIN CLERK | 1 | 9 | 189 180 | |
| T 4.6.3 | | | | |

| Employees appointed to posts not approved | | | | |
|---|-------|---------------------|---------------|--|
| Department | Level | Date of appointment | No. appointed | Reason for appointment when no established post exists |
| None | | | | |
| T 4.6.4 | | | | |

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

An internal Job Evaluation Committee is established at Midvaal and evaluates newly created positions on an ad hoc basis. The results of the evaluations are submitted to the Provincial Audit Committee (PAC) for moderation. It should be noted that there have not been any job evaluations conducted during the reporting period.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All councillors, Section 57/56-appointees and officials annually disclose their financial interests in terms of:

1. Holding shares and other financial interests;
2. Directorships and partnerships (spouse and family members included);
3. Involvement in any remunerated work outside the municipality, with the relevant permission;
4. Consultancies and retainerships;
5. Sponsorships received for the year under review;
6. Gifts and hospitality received from a source other than a family member exceeding the prescribed level;
7. Land and property ownership;
8. Vehicle(s) owned;
9. Participation in any election activities.

T 4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. This chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

The purpose of the Statement of Financial Performance is to give an account of the results of Midvaal's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure).

A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities. If Midvaal has a net deficit, it is indicative that the municipality has more liabilities than assets, which could be interpreted as being insolvent.

The cash flow statement shows the net CASH result. Here accruals are not applicable as the focus is on cash movements. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

There are three main categories:

Net cash resulting from operating activities – this section shows the result of the operations of Midvaal in cash terms. It includes the rendering of municipal services, purchasing of inventory kept in stores, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either in assets through the capital budget or as cash investments) as well as investments withdrawn. Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where Midvaal has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure and not used for operations. A very dangerous situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowings to fund operations instead of infrastructure assets.

T 5.1.0

5.1 STATEMENT OF FINANCIAL PERFORMANCE

| Financial Summary | | | | | | |
|--|-----------------|------------------|------------------|-----------------|------------------|--------------------|
| Description | 2015/16 | 2016/17 | | Actual | 2016/17 Variance | |
| | Actual | Original Budget | Adjusted Budget | | Original Budget | Adjustments Budget |
| Financial Performance | | | | | | |
| Property rates | 146 376 | 154 255 | 162 308 | 164 775 | 7% | 2% |
| Service charges | 480 663 | 563 738 | 538 561 | 539 592 | -4% | 0% |
| Investment revenue | 7 611 | 3 800 | 5 300 | 10 377 | 173% | 96% |
| Transfers recognised - operational | 84 177 | 96 253 | 95 325 | 92 056 | -4% | -3% |
| Other own revenue | 89 646 | 92 398 | 94 573 | 83 937 | -9% | -11% |
| Total Revenue (excluding capital transfers and contributions) | 808 473 | 910 445 | 896 067 | 890 736 | -2% | -1% |
| Employee costs | 203 225 | 225 742 | 225 283 | 211 113 | -6% | -6% |
| Remuneration of councillors | 9 549 | 10 741 | 10 741 | 10 628 | -1% | -1% |
| Depreciation & asset impairment | 112 758 | 144 869 | 144 869 | 116 486 | -20% | -20% |
| Finance charges | 18 888 | 17 921 | 17 921 | 18 796 | 5% | 5% |
| Materials and bulk purchases | 348 622 | 350 836 | 340 490 | 324 848 | -7% | -5% |
| Transfers and grants | 221 | 220 | 364 | 142 | -36% | -61% |
| Other expenditure | 182 739 | 266 167 | 260 467 | 249 372 | -6% | -4% |
| Total Expenditure | 876 001 | 1 016 496 | 1 000 136 | 931 383 | -8% | -7% |
| Surplus/(Deficit) | (67 528) | (106 051) | (104 068) | (40 647) | -62% | -61% |
| Transfers recognised - capital | 38 704 | 40 369 | 41 797 | 41 797 | 4% | 0% |
| Contributions recognised - capital & contributed assets | 12 194 | 12 520 | 10 851 | 20 360 | 63% | 88% |
| Surplus/(Deficit) after capital transfers & contributions | (16 630) | (53 162) | (51 420) | 21 511 | -140% | -142% |
| Share of surplus/ (deficit) of associate | | | | | | |
| Surplus/(Deficit) for the year | (16 630) | (53 162) | (51 420) | 21 511 | -140% | -142% |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | 82 916 | 81 969 | 92 693 | 84 489 | 3% | -9% |
| Transfers recognised - capital | 37 237 | 40 369 | 41 675 | 40 148 | -1% | -4% |
| Public contributions & donations | 10 811 | 12 520 | 10 851 | 9 420 | -13% | -13% |
| Borrowing | 27 797 | 20 100 | 17 705 | 15 735 | -22% | -11% |
| Internally generated funds | 7 071 | 8 980 | 22 462 | 19 186 | 114% | -15% |
| Total sources of capital funds | 82 916 | 81 969 | 92 693 | 84 489 | 3% | -9% |
| Financial position | | | | | | |
| Total current assets | 240 639 | 236 622 | 233 838 | 279 200 | 18% | 19% |
| Total non current assets | 2 060 416 | 1 972 668 | 1 983 392 | 2 034 497 | 3% | 3% |
| Total current liabilities | 141 418 | 154 291 | 153 779 | 133 821 | -13% | -13% |
| Total non current liabilities | 190 961 | 184 929 | 195 286 | 189 689 | 3% | -3% |
| Community wealth/Equity | 1 968 676 | 1 870 070 | 1 868 165 | 1 990 187 | 6% | 7% |
| Cash flows | | | | | | |
| Net cash from (used) operating | 116 022 | 85 185 | 93 449 | 113 736 | 34% | 22% |
| Net cash from (used) investing | (80 075) | (81 869) | (92 593) | (76 622) | -6% | -17% |
| Net cash from (used) financing | (11 467) | - | - | - | - | - |
| Cash/cash equivalents at the year end | 100 000 | 44 718 | 41 933 | 130 091 | 191% | 210% |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 100 000 | 44 718 | 41 933 | 130 091 | 191% | 210% |
| Application of cash and investments | 58 709 | 18 081 | 14 432 | 41 279 | 128% | 186% |
| Balance - surplus (shortfall) | 41 290 | 26 637 | 27 502 | 88 812 | 233% | 223% |
| Asset management | | | | | | |
| Asset register summary (WDV) | 2 060 416 | 1 972 668 | 1 983 392 | 2 034 497 | 3% | 3% |
| Depreciation & asset impairment | 112 643 | 144 869 | 144 869 | 116 486 | -20% | -20% |
| Renewal of Existing Assets | 47 601 | 10 000 | 10 606 | 10 574 | 6% | 0% |
| Repairs and Maintenance | 51 360 | 54 909 | 55 002 | 50 706 | -8% | -8% |
| Free services | | | | | | |
| Cost of Free Basic Services provided | 9 603 | 12 000 | 13 170 | 19 770 | 65% | 50% |
| Revenue cost of free services provided | 21 960 | 27 165 | 33 240 | 34 879 | 28% | 5% |
| Households below minimum service level | | | | | | |
| Water: | 1 | 1 | 1 | 1 | 0% | 0% |
| Sanitation/sewerage: | 0 | 0 | 0 | 0 | 0% | 0% |
| Energy: | 4 | 4 | 4 | 4 | 0% | 0% |
| Refuse: | 10 | 10 | 10 | 10 | 0% | 0% |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T 5.1.1

COMMENT ON FINANCIAL PERFORMANCE

Financial performance for the year was satisfactory. More than 100% of the revenue, as per the adjusted budget, was realised. The revenue for the year is an increase of 10.85% from the 2015/2016-financial year. Operating expenditure increased with 6.33% from the previous financial year. The year ended with a surplus of R21 m.

T5.1.3

5.2 GRANTS

| Grant Performance | | | | | | |
|--|---------------|---------------|--------------------|---------------|---------------------|------------------------|
| R' 000 | | | | | | |
| Description | 2015/16 | 2016/17 | | | 2016/17 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Operating Transfers and Grants | | | | | | |
| National Government: | 73 248 | 80 455 | 80 455 | 80 455 | 0.00% | 0.00% |
| Equitable share | 63 385 | 70 863 | 70 863 | 70 863 | 0.00% | 0.00% |
| Contribution Councilors (Eq Share) | 4 906 | 5 538 | 5 538 | 5 538 | 0.00% | 0.00% |
| Municipal Systems Improvement | 930 | – | – | – | | |
| Financial Management Grant | 1 450 | 1 475 | 1 475 | 1 475 | 0.00% | 0.00% |
| MIG Operating Cost | 1 250 | 1 300 | 1 300 | 1 300 | 0.00% | 0.00% |
| EPWP | 1 327 | 1 279 | 1 279 | 1 279 | 0.00% | 0.00% |
| Provincial Government: | 8 536 | 13 119 | 12 191 | 9 143 | -30.31% | -25.00% |
| Health subsidy | 4 196 | 7 149 | 7 149 | 4 101 | -42.63% | -42.63% |
| Sports and Recreation | 4 340 | 5 970 | 5 042 | 5 042 | -15.55% | 0.00% |
| District Municipality: | 2 393 | 2 679 | 2 679 | 2 458 | -8.23% | -8.23% |
| Environmental Protection | 2 393 | 2 679 | 2 679 | 2 458 | -8.23% | -8.23% |
| Total Operating Transfers and Grants | 84 177 | 96 253 | 95 325 | 92 056 | | |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. | | | | | | T 5.2.1 |

COMMENT ON OPERATING TRANSFERS AND GRANTS

The gazette grants were basically spent in full for the year under review. No roll-overs on grant funding will be applied for.

T 5.2.2

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) | | | | | | |
|--|-----------------------|-----------------------|---|--------------------------|--|--|
| Details of Donor | Actual Grant 15/16 | Actual Grant 16/17 | Year 16/17 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
| Parastatals | | | | | | |
| None | | | | | | |
| Foreign Governments/Development Aid Agencies | | | | | | |
| None | | | | | | |
| Private Sector / Organisations | | | | | | |
| Developers contributions | 11 158 | 9 639 | - | Ongoing | | Contributions towards network infrastructure for new developments |
| New connection fees | | | - | Ongoing | | Cost of new capital connections |
| Mayoral Charitable Fund | 99 | 5 | - | Ongoing | | Mayoral Charitable events |
| Public donations (infrastructure) | 506 | | - | | | Savanna City Parks contribution |
| Other donations (Opex) | 4 973 | 2 175 | - | 2020 | | Savanna City Operating contribution |
| Other donations (Capex) | 531 | 10 721 | - | 2020 | | Savanna City Capital contribution |
| TOTAL | 17 267 | 22 540 | | | | |

T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

Developer contributions of R7 m were received from private developers. The development contributions are ring-fenced and utilised for new developments. The funds, currently in the fund, will be used for the completion of the new Electrical Sub-station in Risiville.

The Urban Management Grant is still being utilised for the further development of the Savanna City Housing Development.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is crucial for the sustainability of Midvaal, seeing that it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. Non-current assets have declined, this is due to the municipality's investment in new assets, are lower than the annual depreciation charges. The condition of the assets are still such that a good level of services are rendered, but this is not a sustainable trend. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next few years.

The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset values. This is partly being addressed through higher than inflation tariff increases in the 2016/2017-financial year and a corresponding increase in the maintenance cost. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate as well as the revenue base. The Asset Management Unit consists of 3 officials, as per the approved organogram, and one post will be advertised shortly for additional capacity to assist within the unit. Officials are well capacitated to perform their tasks and are receiving training on an ongoing basis.

The three largest projects for the 2016/2017 financial year are discussed below.

T5.3.1

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 16/17 | | | | |
|---|--|-----------|--------------|------------|
| Asset 1 | | | | |
| Name | Electrification Projects (Kookfontein) | | | |
| Description | 88KV overhead line | | | |
| Asset Type | Electricity | | | |
| Key Staff Involved | Project Management Unit and other Engineering Services Sections | | | |
| Staff Responsibilities | Maintain and operate network | | | |
| | 13/14 | 14/15 | 15/16 | 16/17 |
| Asset Value | - | - | 4 000 000.00 | 9 000 000 |
| Capital Implications | Capital Replacement Reserve | | | |
| Future Purpose of Asset | Supply of Bulk Electricty | | | |
| Describe Key Issues | The Bulk Electricity supply to the greater Sicelo Area (Wards 8, 10 & 11)is overloaded and MLM cannot approve additional connections. The project will relive the overloading and provide additional capacity for future developments in particular housing. | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 2 | | | | |
| Name | Sicelo/Highbury (valley Settlements) Reservoir | | | |
| Description | 10 MI Reservoir and Bulk Water Mains | | | |
| Asset Type | Reservoir and Water Mains | | | |
| Key Staff Involved | Project Management Unit and other Engineering Services Sections | | | |
| Staff Responsibilities | Maintain and operate network | | | |
| | 13/14 | 14/15 | 15/16 | 16/17 |
| Asset Value | 5 899 976 | 1 449 959 | 3 343 967 | 10 151 072 |
| Capital Implications | Capital Replacement Reserve | | | |
| Future Purpose of Asset | Water Supply | | | |
| Describe Key Issues | The Bulk Water supply to the greater Sicelo Area and the central portion of the R59 corridor (Wards 4, 5, 8, 10, 11 & 15)is inadequate and MLM cannot approve additional connections. In addition the water pressure in the higher lying area is below the expectable standard. The project will increase capacity, improve water pressure and provide additional capacity for future developments in particular housing in greater Sicelo and commercial development in the R59 corridor. | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 3 | | | | |
| Name | Risiville Substation (Bulk Contribution) | | | |
| Description | Increased bulk electrical capacity | | | |
| Asset Type | Substation | | | |
| Key Staff Involved | Project Management Unit and other Engineering Services Sections | | | |
| Staff Responsibilities | Maintain and operate network | | | |
| | 13/14 | 14/15 | 15/16 | 16/17 |
| Asset Value | - | - | 6 929 588 | 8 105 649 |
| Capital Implications | Capital Replacement Reserve | | | |
| Future Purpose of Asset | Additional Electricty Supply | | | |
| Describe Key Issues | Overloaded network and create capacity for new development. | | | |
| Policies in Place to Manage Asset | Yes | | | |
| | | | | T 5.3.2 |

COMMENT ON ASSET MANAGEMENT

Asset Management is done in line with the requirements of GRAP 17 and best practices as per National Treasury Asset Management Guidelines. An external service provider (EOH) has been appointed to both manage the asset register as well as to perform the annual asset verification and condition assessment. A number of assets were impaired, as required by GRAP, based on the asset condition assessments performed. The increased maintenance spending in future years should lead to reduced asset impairments in the coming years.

T 5.3.3

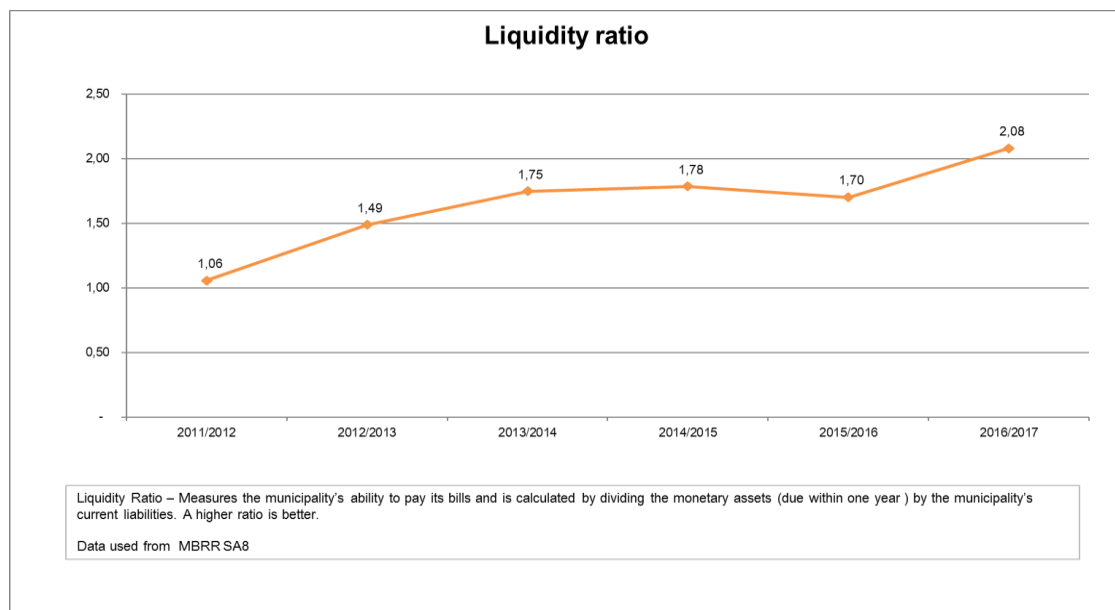
| Repair and Maintenance Expenditure: Year 2016/17 | | | | |
|--|-----------------|-------------------|--------|-----------------|
| R' 000 | | | | |
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 54 909 | 56 510 | 50 706 | 8% |
| T 5.3.4 | | | | |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

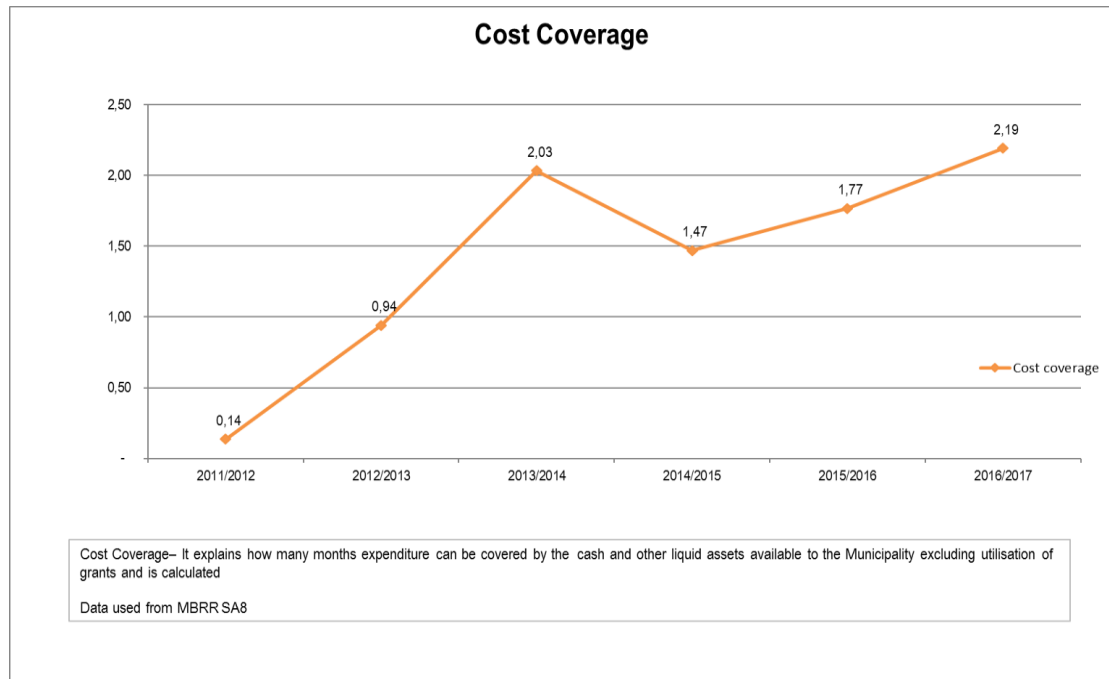
The repairs and maintenance budget of Midvaal is not in line with the National Treasury norm of 8% of the asset values. This is being addressed through higher than inflation tariff increases with corresponding increases in the maintenance cost. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate, as well as the revenue base.

T 5.3.4.1

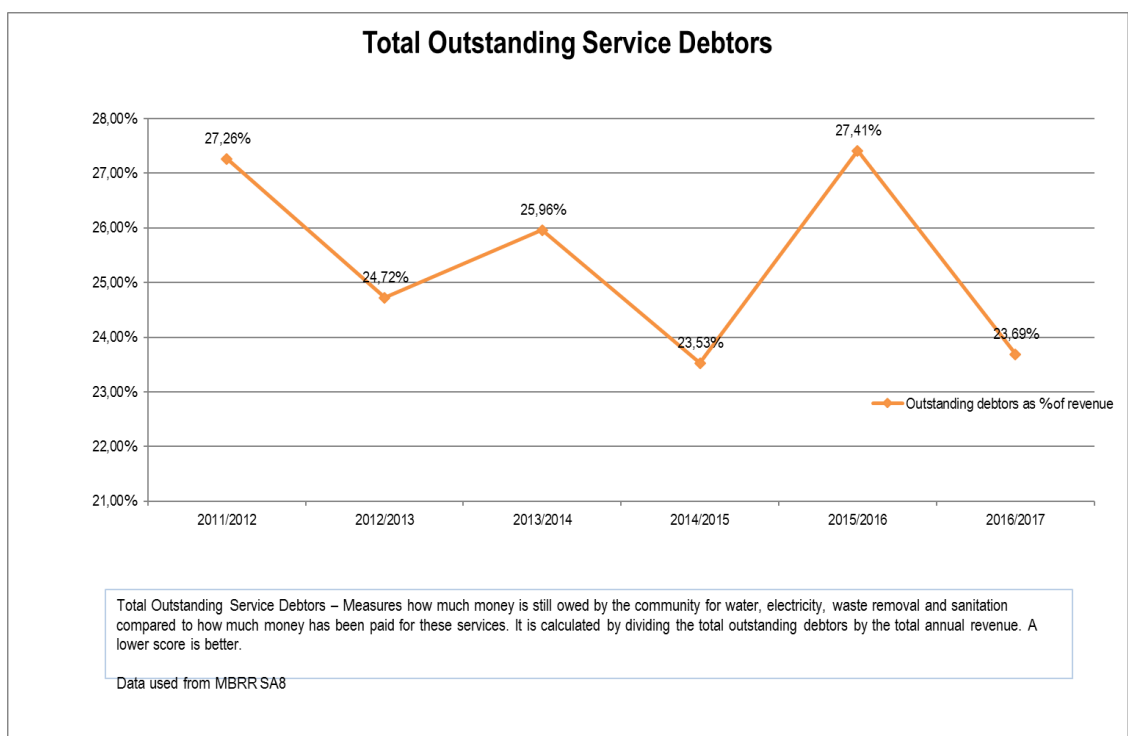
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



T 5.4.1

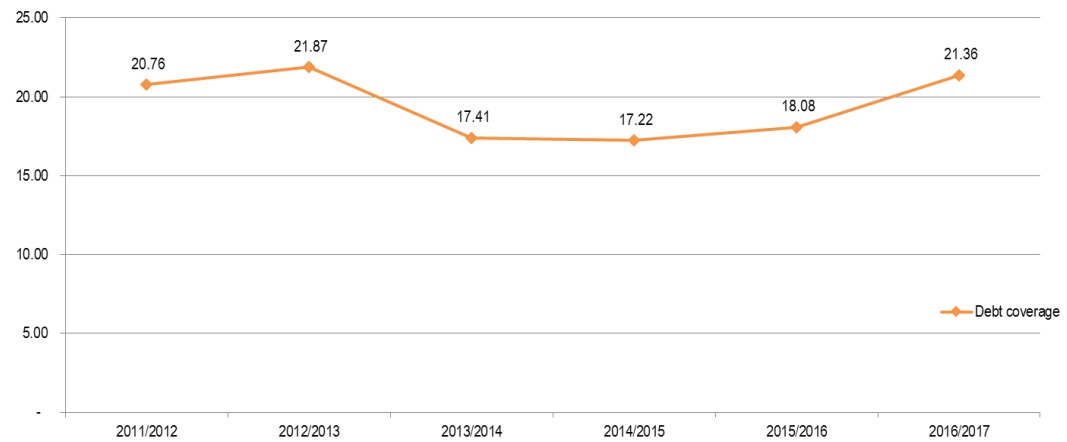


T 5.4.2



T 5.4.3

Debt Coverage

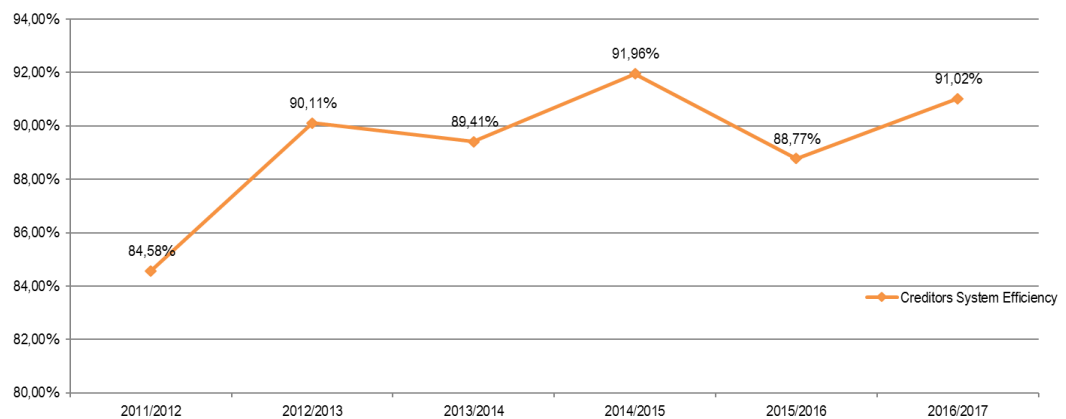


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency

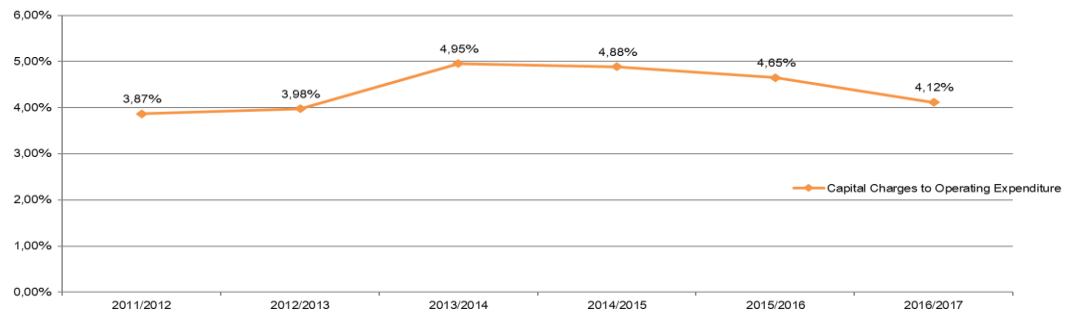


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

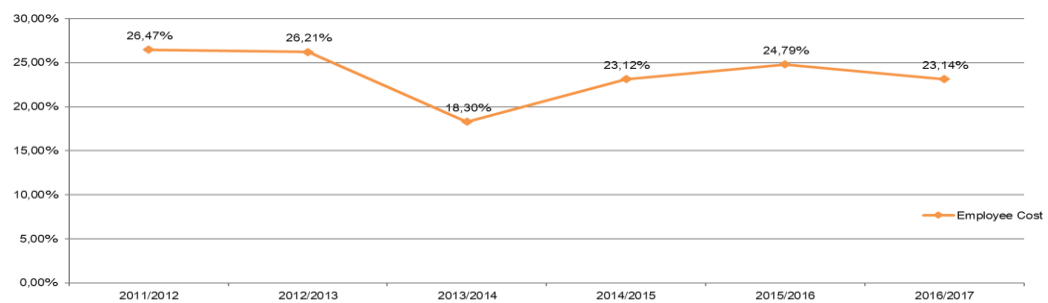
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.
Data used from MBRR SA8

T 5.4.6

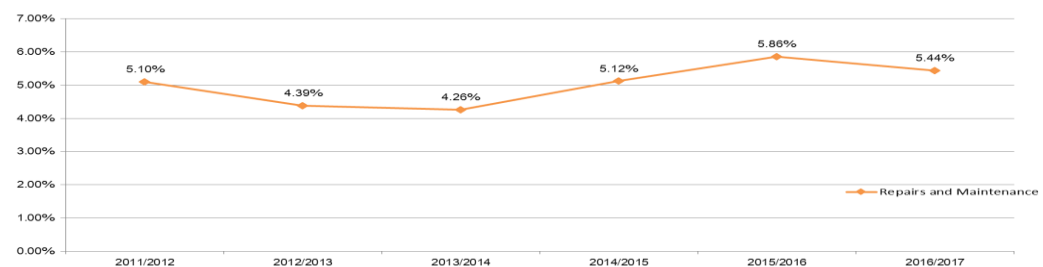
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.
Data used from MBRR SA8

T 5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.
Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS

With the exception of Repairs and Maintenance, Midvaal is within the broad norms and standards.

T 5.4.9

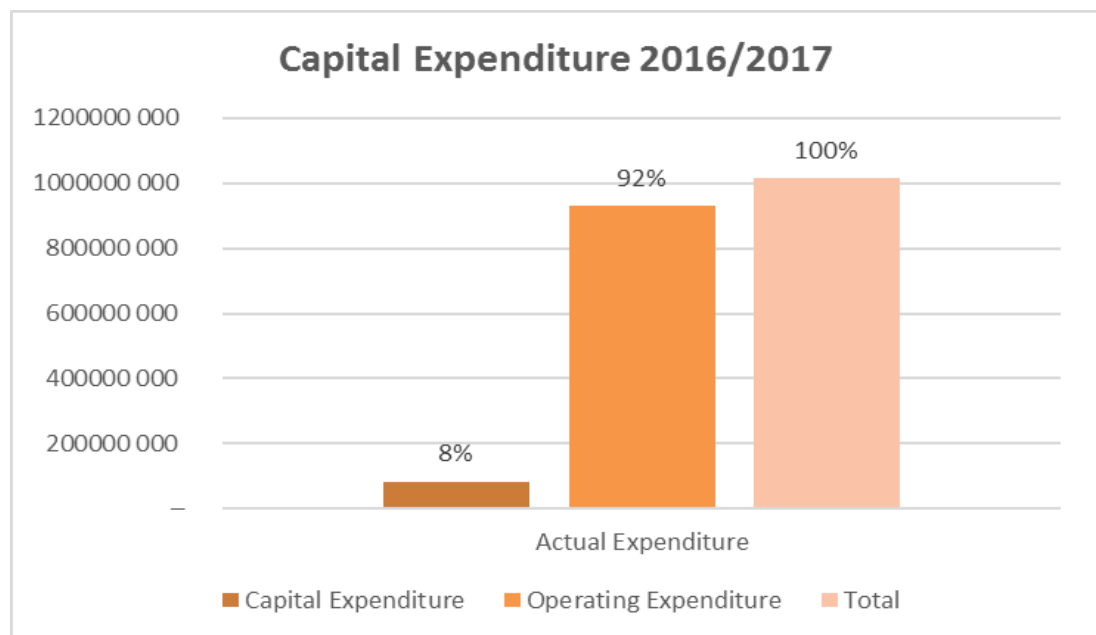
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Midvaal achieved a 91.15% spending level on the capital budget. Savings were achieved where projects were delivered within time, but below budget. This is encouraging as all departments are now implementing the projects in a most cost effective manner as opposed to spending just for the sake of chasing a 100% spending level. Projects not completed at financial year-end have been carried forward to the 2016/2017-financial year for completion.

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

| Capital Expenditure - Funding Sources: Year 15/16 to Year 16/17 | | | | | | |
|---|---------------|----------------------|-------------------|---------------|-------------------------------|---------------------------|
| R' 000 | | | | | | |
| Details | 2015/16 | 2016/17 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | |
| External loans | 27 797 | 20 100 | 17 705 | 15 735 | -11,92% | -21,71% |
| Public contributions and donations | 10 811 | 12 520 | 10 851 | 9 420 | -13,33% | -24,76% |
| Grants and subsidies | 37 237 | 40 369 | 41 675 | 40 148 | 3,24% | -0,55% |
| CRR | 7 071 | 8 980 | 13 832 | 11 967 | 54,04% | 33,27% |
| Accumulated Surplus | | | 8 630 | 7 219 | | |
| Total | 82 916 | 81 969 | 92 693 | 84 489 | 13,08% | 3,07% |
| Percentage of finance | | | | | | |
| External loans | 33,5% | 24,5% | 19,1% | 18,6% | | |
| Public contributions and donations | 13,0% | 15,3% | 11,7% | 11,1% | | |
| Grants and subsidies | 44,9% | 49,2% | 45,0% | 47,5% | | |
| Other | 8,5% | 11,0% | 24,2% | 22,7% | | |
| Capital expenditure | | | | | | |
| Water and sanitation | 34 494 | 35 345 | 35 541 | 33 175 | 0,55% | -6,14% |
| Electricity | 14 170 | 24 200 | 21 707 | 20 066 | -10,30% | -17,08% |
| Housing | | | | | | |
| Roads and storm water | 14 704 | 6 639 | 6 618 | 6 618 | -0,31% | -0,32% |
| Other | 19 547 | 15 785 | 28 827 | 24 629 | 82,62% | 56,03% |
| Total | 82 916 | 81 969 | 92 693 | 84 489 | 13,08% | 3,07% |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 41,6% | 43,1% | 38,3% | 39,3% | | |
| Electricity | 17,1% | 29,5% | 23,4% | 23,8% | | |
| Housing | | | | | | |
| Roads and storm water | 17,7% | 8,1% | 7,1% | 7,8% | | |
| Other | 23,6% | 19,3% | 31,1% | 29,2% | | |

T 5.6.1

COMMENT ON SOURCES OF FUNDING

Midvaal is highly dependent on government grants for the implementation of capital programmes.

A capital replacement reserve (fully cash backed) has been established to increase the amount that is spent on capital from own generated revenue. The balance of the reserve as at financial year-end was just over R6 m. This is an internal reserve, which forms part of the accumulated surplus on the Statement of Financial Position, but is shown separately in the General Ledger.

Borrowings were one of the largest funding sources for the year. A loan of R12 m has been taken up during the year. Of this amount, R6.7 m of the loan was unspent, at the end of the financial year and will be utilised during 2017/2018-financial year to fund capital projects.

Hire Purchase Agreements are used to finance movable assets with a 3 to 5 year repayment period.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| Capital Expenditure of 5 largest projects* | | | | | |
|--|---|-------------------|--------------------|-----------------------|-------------------------|
| Name of Project | 2016/17 | | | Variance: 2015/16 | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| | | | | | |
| Sicelo/Highbury (Valley Settlements) Reservoir | 10 000 | 8 707 | 8 707 | -13% | 0% |
| Risiville Substation (Bulk Contribution) | 9 000 | 9 070 | 8 106 | -10% | -11% |
| Electrification Projects | 9 000 | 9 000 | 9 000 | 0% | 0% |
| Extension To Daleside Sewer (MIG) | 6 000 | 5 469 | 5 147 | -14% | -6% |
| Water Loss Programme-Pipe Replace | 5 500 | 5 579 | 4 322 | -21% | -23% |
| | | | | | |
| * Projects with the highest capital expenditure in 2016-2017 | | | | | |
| Electrification Projects (Kookfontein) | | | | | |
| Objective of Project | To ensure sufficient bulk electricity to area | | | | |
| Delays | None | | | | |
| Future Challenges | Increasing volumes in network | | | | |
| Anticipated citizen benefits | Reliable service delivery | | | | |
| Sicelo/Highbury (valley Settlements) Reservoir | | | | | |
| Objective of Project | To ensure sufficient bulk water to area | | | | |
| Delays | None | | | | |
| Future Challenges | Increasing volumes in network | | | | |
| Anticipated citizen benefits | Reliable service delivery | | | | |
| Risiville Substation (Developer Contributions) | | | | | |
| Objective of Project | To ensure sufficient services to area | | | | |
| Delays | None | | | | |
| Future Challenges | Increasing volumes in network | | | | |
| Anticipated citizen benefits | Increased social development | | | | |
| Extension to Daleside Sewers (MIG) | | | | | |
| Objective of Project | To ensure sufficient services to area | | | | |
| Delays | Default by Contractor | | | | |
| Future Challenges | Remedial work to be done | | | | |
| Anticipated citizen benefits | Reliable service delivery | | | | |
| Upgrade Sewage Network (MIG) | | | | | |
| Objective of Project | To ensure sufficient services to area | | | | |
| Delays | None | | | | |
| Future Challenges | Increasing volumes in network | | | | |
| Anticipated citizen benefits | Reliable service delivery | | | | |
| Water Loss Programme-Pipe Replace | | | | | |
| Objective of Project | Reduce water loss | | | | |
| Delays | None | | | | |
| Future Challenges | Increasing volumes in network | | | | |
| Anticipated citizen benefits | Reliable service delivery | | | | |
| | | | | | |

T 5.7.1

T 5.7.1

COMMENT ON CAPITAL PROJECTS

The above projects were prioritised in terms of the challenges experienced in the delivery of services to the community. The projects were identified as being the largest, based on the size of the actual expenditure, of the projects.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Midvaal is geographically very large, containing a lot of farms and agricultural holdings. Many of the farm workers, low income earners and the unemployed, settle in nearby informal settlements, which results that there are **5 309 informal households in the area**. 135 houses were allocated to residents of the Sicelo Informal Settlements. Most of these are far from serviced areas, which results in the backlog. The solution is development of new townships near existing infrastructure. This process should however be driven by the Provincial Department of Housing, with the support of Midvaal. Midvaal is busy upgrading existing bulk services and master plans to cater for this.

T 5.8.1

| Service Backlogs as at 30 June 2017 | | | | |
|-------------------------------------|---------------------------------------|-------|--|-------|
| | *Service level above minimum standard | | **Service level below minimum standard | |
| | No. HHs | % HHs | No. HHs | % HHs |
| Water | 29 583 | 99% | 269 | 0.9% |
| Sanitation | 26 766 | 90% | 3 086 | 10.3% |
| Electricity | 13 279 | 44% | 2 799 | 9% |
| Waste management | 18 463 | 37% | 2 718 | 9% |
| Housing | 26 026 | 87% | 5 309 | 18% |

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

Note: Of the total number of households (i.e. 29 852) Midvaal provides waste management services to approximately **18 463 (formal) collection points and 2 718 informal collection points**. The other properties are either vacant, open spaces or in other similar circumstances.

| Municipal Infrastructure Grant Expenditure on Service Backlogs | | | | | | |
|--|-----------------|--------------------|---------------|---------------------|------------------------|-------------------------|
| R' 000 | | | | | | |
| Description | 2016/17 | | | 2016/17 Variance | | Major Conditions |
| | Original Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) | |
| Fire Station Vaal Marina (MIG) | 4 000 | 4 000 | 3 734 | -6.64% | -6.64% | Eradication of backlogs |
| Lakeside Sport Centre (MIG) | 2 500 | 1 350 | 654 | -73.85% | -51.57% | Eradication of backlogs |
| Sicelo Sports Complex (MIG) | 500 | 672 | 469 | -6.26% | -30.30% | Eradication of backlogs |
| Extension To Daleside Sewer (MIG) | 6 000 | 5 469 | 5 147 | -14.22% | -5.89% | Eradication of backlogs |
| Mamello Bulk Sewer (MIG) | – | 160 | 160 | | -0.13% | Eradication of backlogs |
| Upgrade Sewage Network (MIG) | 3 400 | 4 859 | 4 836 | 42.23% | -0.47% | Eradication of backlogs |
| Gravel To Tar (MIG) | 2 539 | 2 518 | 2 518 | -0.83% | -0.01% | Eradication of backlogs |
| Mamello Access Road (MIG) | 100 | 100 | 100 | 0.00% | 0.00% | Eradication of backlogs |
| Sicelo/Highbury (Valley Settlements) Res | 10 000 | 8 707 | 8 707 | -12.93% | 0.00% | Eradication of backlogs |
| Mamello Bulk Water (MIG) | – | 1 204 | 1 203 | | -0.08% | Eradication of backlogs |
| Total MIG Grants | 29 039 | 29 039 | 27 527 | | | |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

T5.8.3

COMMENT ON BACKLOGS

MIG funds have been used in full in the 2016/17-financial year to reduce the backlogs in basic services in particular tarring/paving of roads, sewer reticulation, as well as the construction of sports facilities. The figures above are VAT excluded, to be aligned to the figures in the Annual Financial Statements.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The introduction of the strict cash management regime in the previous financial year was maintained, even after the cash balances improved, to ensure a culture of cost curtailment. The budget approved for the 2017/2018 – 2019/2020 years retained the focus on cash availability. Medium term projections show that the municipality should be able to maintain a cash balance of approximately R50 m per year over the medium term.

The priority for the next year will be to continue to phase our offset depreciation so that additional cash will be generated from operations for utilisation on repairs and maintenance and asset renewals.

T 5.9

5.9 CASH FLOW

| Cash Flow Outcomes | | | | |
|---|------------------|------------------|------------------|------------------|
| | | | | R'000 |
| Description | 2015/16 | 2016/17 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | 771 971 | 871 744 | 875 690 | 844 487 |
| Ratepayers and other | 649 090 | 718 802 | 722 417 | 783 144 |
| Government - operating | 84 177 | 96 253 | 95 325 | 37 732 |
| Government - capital | 38 704 | 52 889 | 52 648 | 13 234 |
| Interest | – | 3 800 | 5 300 | 10 377 |
| Dividends | – | – | – | – |
| Payments | (655 949) | (786 559) | (782 241) | (730 751) |
| Suppliers and employees | (655 728) | (768 418) | (763 956) | (711 813) |
| Finance charges | – | (17 921) | (17 921) | (18 796) |
| Transfers and Grants | (221) | (220) | (364) | (142) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 116 022 | 85 185 | 93 449 | 113 736 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 785 | 100 | 100 | 347 |
| Decrease (Increase) in non-current debtors | – | – | – | – |
| Decrease (increase) other non-current receivables | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – |
| Payments | | | | |
| Capital assets | (80 861) | (81 969) | (92 693) | (76 969) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (80 075) | (81 869) | (92 593) | (76 622) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short term loans | – | – | – | – |
| Borrowing long term/refinancing | 12 521 | 15 300 | 14 975 | 15 253 |
| Payments | | | | |
| Repayment of borrowing | (23 988) | (24 440) | (24 440) | (22 276) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (11 467) | (9 140) | (9 465) | (7 023) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 24 479 | (5 824) | (8 609) | 30 091 |
| Cash/cash equivalents at the year begin: | 75 520 | 50 542 | 50 542 | 100 000 |
| Cash/cash equivalents at the year end: | 100 000 | 44 718 | 41 933 | 130 091 |
| Source: MBRR A7 | | | | T 5.9.1 |

COMMENT ON CASH FLOW OUTCOMES

Midvaal generated a healthy cash balance from operations. No cash from external loans or capital transfer payments were utilised for the payment of salaries. Cash from investing activities reduced by R77 m due to the investment in new capital assets.

Cash from financing activities decreased by R7 m being the net difference between new borrowings and redemption payments made on existing loans. The year closed with a cash balance of R130 m.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

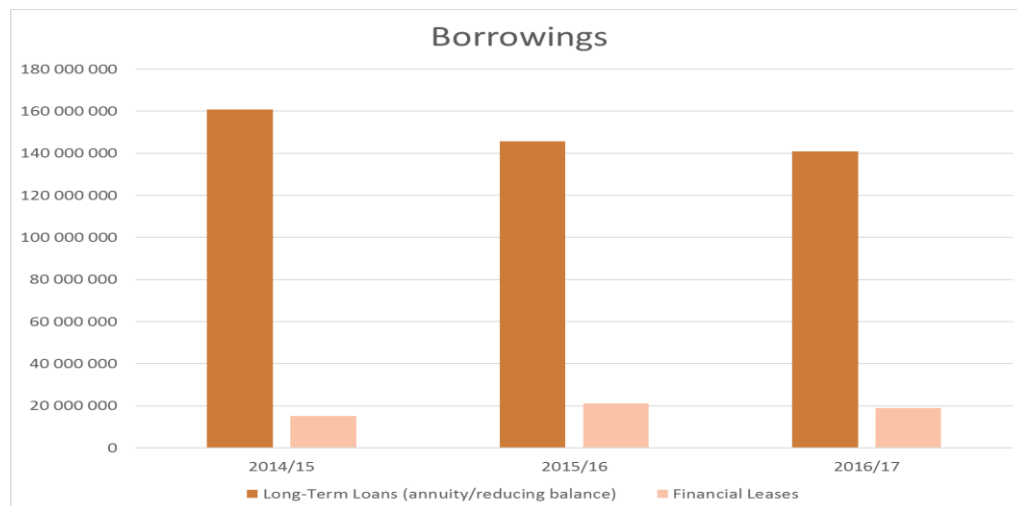
INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowings decreased during the year as the infrastructure loans are being repaid. New loans were taken up during the year (R12 m term loans and R3 m HP Agreements).

T 5.10.1

| Actual Borrowings: 2016-2017 | | | |
|--|--------------------|--------------------|--------------------|
| | R' 000 | | |
| Instrument | 2014/15 | 2015/16 | 2016/17 |
| Municipality | | | |
| Long-Term Loans (annuity/reducing balance) | 160 799 038 | 145 684 791 | 140 868 810 |
| Long-Term Loans (non-annuity) | | | |
| Local registered stock | | | |
| Instalment Credit | | | |
| Financial Leases | 15 161 420 | 21 059 588 | 18 852 715 |
| PPP liabilities | | | |
| Finance Granted By Cap Equipment Supplier | | | |
| Marketable Bonds | | | |
| Non-Marketable Bonds | | | |
| Bankers Acceptances | | | |
| Financial derivatives | | | |
| Other Securities | | | |
| Municipality Total | 175 960 458 | 166 744 379 | 159 721 525 |
| Municipal Entities | N/A | N/A | N/A |
| Long-Term Loans (annuity/reducing balance) | | | |
| Long-Term Loans (non-annuity) | | | |
| Local registered stock | | | |
| Instalment Credit | | | |
| Financial Leases | | | |
| PPP liabilities | | | |
| Finance Granted By Cap Equipment Supplier | | | |
| Marketable Bonds | | | |
| Non-Marketable Bonds | | | |
| Bankers Acceptances | | | |
| Financial derivatives | | | |
| Other Securities | | | |
| Entities Total | 0 | 0 | 0 |

T 5.10.2



T 5.10.3

| Municipal and Entity Investments | | | |
|--|---------|---------|----------|
| | R' 000 | | |
| Investment* type | 2014/15 | 2015/16 | 2016/17 |
| | Actual | Actual | Actual |
| <u>Municipality</u> | | | |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | – | – | – |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Municipal Bonds | | | |
| Other | | | |
| Municipality sub-total | – | – | – |
| <u>Municipal Entities</u> | N/A | N/A | N/A |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | | | |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Other | | | |
| Entities sub-total | – | – | – |
| Consolidated total: | – | – | – |
| | | | T 5.10.4 |

COMMENT ON BORROWING AND INVESTMENTS

Midvaal only has short term investments at present. These investments are for periods of less than 3 months and as such are included in the cash and cash equivalents line item on the Statement of Financial Position. As the liquidity position continues to improve, more investments will be made.

The ideal is that the municipality increases investments to such an extent that it no longer requires the use of HP financing for vehicles but that internal resources can be used.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Midvaal registered a Public Private Partnership with National Treasury in terms of Section 120 of the MFMA for the assessment of the unsolicited bid for the management and maintenance of the electricity operations. As at 30 June 2017, Midvaal adopted the status quo report, required by Section 78(1) of the Municipal Systems Act, per item C1626/05/2017 dated 25 May 2017. The transactional advisor is currently busy with the feasibility study.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT (SCM)

The Supply Chain Management Processes are being updated on an ongoing basis to ensure full compliance with the MFMA and the Regulations issued under the MFMA. The Head of Supply Chain is in full compliance with the MFMA Regulations on Minimum Competency levels.

The SCM Policy was again reviewed during 2016/2017 and tabled to Council on 26 May 2016. To further strengthen controls, the policy dealing with the acceptance of grants, donations and sponsorships was again reviewed during the year. This policy will guide all SCM role-players relative to Sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of Supply Chain was submitted to Council on 18 July 2017 as per Regulations 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials. The structure caters for all elements of SCM with a number of 15 officials within the unit and 3 vacancies. Ongoing training and workshops are provided by Provincial Treasury to SCM officials.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are open to the public and no councillors serve on any SCM committee. Contract Management is being adhered to as stipulated in Section 116 of the MFMA. The capacity of the SCM database is currently on 1 600 suppliers and is updated on a regular basis. The last update had taken place on 30 June 2017.

A total of 43 full bids and 33 formal written quotations were processed during the year under review. The average turn-around time on the awarding of bids is 80 days. Deviations from policy must comply with the requirements and be reported to Council. In the cases that this occurred, it was for justifiable reasons and all such cases were reported to Council.

Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports it to the next meeting of the accounting officer and includes a note to the financial statements.

The majority of items mentioned had to be addressed on short notice and the response times did not allow for the complete procurement process to be followed. The balance of items were due to emergency circumstances or uneconomic benefits for the municipality.

| Class | 2017 | 2016 |
|---|-------------------|-------------------|
| Emergency | 6 557 273 | 3 228 677 |
| Sole suppliers | 4 131 986 | 8 351 293 |
| Impractical or impossible to follow the process | 50 711 278 | 17 351 205 |
| Special Work of Art | 629 864 | 4 500 |
| | <u>62 030 401</u> | <u>28 935 675</u> |

The unit is continuously improving its procedures in order to ensure that Midvaal receives value for money in terms of demand and acquisition management.

T5.13.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

A full General Reporting Account Practices (GRAP) review was performed during the 2016/2017-financial year. The financial statements for the 2016/2017-financial draft are in accordance with the applicable GRAP standards, inclusive of the standards that became effective during the year under review.

T 5.13.1

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution Section 188(1)(b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The Municipal Systems Act, Section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The Annual Financial Statements are set out in Volume II of the annual report. These statements have been audited by the Auditor-General and a Clean Audit was achieved. The AG report is also included in this Annual Report.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2015/16

6.1 AUDITOR-GENERAL REPORTS 2015/16

| Auditor-General Report on Financial Performance: 2015/16 | |
|--|------------------------------|
| Audit Report Status*: | UNQUALIFIED - CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| None | N/A |
| Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse) | |
| T 6.1.1 | |

| Auditor-General Report on Service Delivery Performance: 2015/16 | |
|--|------------------------------|
| Audit Report Status: | UNQUALIFIED - CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| None | N/A |
| Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse) | |
| T 6.1.2 | |

COMPONENT B: AUDITOR-GENERAL OPINION 2016/17

6.2 AUDITOR-GENERAL REPORT 2016/17

| Auditor-General Report on Financial Performance 2016/17 | |
|---|------------------------------|
| Status of audit report: | UNQUALIFIED - CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| None | N/A |
| Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0. | |
| T 6.2.1 | |

| Auditor-General Report on Service Delivery Performance: 2016/17 | |
|---|-----------------------|
| Status of audit report**: | UNQUALIFIED - CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| None | N/A |
| | |
| | |

* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0

** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.

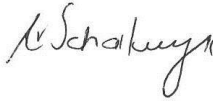
T 6.2.2

| |
|---|
| AUDITOR-GENERAL REPORT ON THE FINANCIAL PERFORMANCE: 2016/17 Unqualified (Clean) Audit Opinion – Refer to the attached audit opinion |
|---|

T 6.2.3

| |
|--|
| AUDITOR-GENERAL REPORT ON THE SERVICE DELIVERY PERFORMANCE: 2016/17 Unqualified (Clean) Audit Opinion – Refer to the attached audit opinion |
|--|

T 6.2.4

| |
|---|
| COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.  Mrs. A.L. van Schalkwyk Signed (Chief Financial Officer) |
|---|

T 6.2.5



AUDITOR - GENERAL
SOUTH AFRICA

Mr. A.S.A De Klerk
Accounting officer
Midvaal Local Municipality
PO Box 9
Meyerton
1060

30 November 2017

Dear Mr. De Klerk

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Midvaal Local Municipality for the year ended 30 June 2017.

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa and section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. In terms of section 121(3) MFMA you are required to include the audit report in the municipality's annual report to be tabled.
3. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format if needed.
 - The report must please be referred to the Municipal Public Accounts Committee.
 - Please send 10 copies of the annual report to the Auditor-General of South Africa for attention Stakeholder Liaison Manager, 61 Central Street, Houghton.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. Your cooperation to ensure that all these requirements are met would be much appreciated.

Yours sincerely

Vaughn Noble

Senior Manager: Gauteng

Enquiries: Lerato Pooe

Telephone: (011) 703 7814

E-mail: leratob@agsa.co.za

Report of the auditor-general to the Gauteng Provincial Legislature and the council on the Midvaal Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Midvaal Local Municipality set out on pages 140 to 157, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net asset, cash flow statement, appropriation statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Midvaal Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments

7. As disclosed in note 4 and note 32 to the financial statements, the consumer debtors balance has been significantly impaired. The allowance for impairment of consumer debtors amounts to R104 820 714 (2015-16: R113 156 964) which represents 48.2% (2015-16: 52.4%) of total consumer debtors. The contribution to the provision for debt impairment was R55 711 131 (2015-16: R48 124 495).

Material losses

8. As disclosed in note 35 and note 56 to the financial statements, material electricity losses amounting to R27 264 020 (2015-16: R25 220 919) were incurred, which represents 11.8% (2015-16: 11.7%) of total electricity purchased. Technical losses amounted to R15 031 054 (2015-16: R10 811 478). Non-technical losses amount to R12 232 966 (2015-16: R14 409 441) and are due to illegal connections, municipal buildings, cable and transformer losses.

Material uncertainties

9. With reference to note 43 to the financial statements, the municipality is the defendant in various lawsuits. The outcome of these matters cannot presently be determined, and/ or reliably measured; therefore no provision for any liabilities that may result has been made in the financial statements.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

17. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of any non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Midvaal Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the municipality or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPA) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2017:

| Key performance areas | Pages in the annual performance report |
|--|---|
| KPA 2: Safety and environment | 30 - 38 |
| KPA 3: Social and community development | 39 - 44 |
| KPA 6: Physical infrastructure and energy efficiency | 59 - 66 |
| KPA 7: Services and customer care | 67 - 73 |

18. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance areas.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 21 to 80 for information on the achievement of the planned targets for the year and explanations provided for the under and overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not identify material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the PAA.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected key performance areas presented in the annual performance report that have been specifically reported on in the auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg

30 November 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected key performance areas and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Midvaal Local Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

GLOSSARY

| | |
|---|--|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”. |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic Municipal Service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget Year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost Indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General Key Performance Indicators | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Set out municipal goals and development plans. |
| National Key Performance Areas | <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”. |

| | |
|--|---|
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| Performance Indicator | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered and services rendered). |
| Performance Information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance Standards | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| Performance Targets | The level of performance that municipalities and their employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |
| Service Delivery & Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i> |

APPENDICES

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance | | | | | |
|--|--------------------------------|---|---------------------------------|--|---|
| Council Members | Full Time / Part Time FT/PT | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
| | | | | % | % |
| 1. Cllr. B.M. Baloyi | FT | Mayoral Committee | DA | 100% | 0% |
| 2. Cllr. F. Peters | FT | Mayoral Committee | DA | 91% | 100% |
| 3. Cllr. P.C. Pretorius | FT | Section 80 Corporate Services Portfolio Committee | Ward 14 (DA) | 100% | 0% |
| 4. Cllr. A. Tsukudu | FT | Section 80 Corporate Services Portfolio Committee | DA | 100% | 0% |
| 5. Cllr. P.J. Teixeira | FT | Section 80 Development & Planning Portfolio Committee | Ward 4 (DA) | 100% | 0% |
| 6. Ald. P.D. Hutcheson-Pretorius | FT | Section 80 Finance Portfolio Committee | Ward 5 (DA) | 91% | 100% |
| 7. Cllr. D.R. Ryder | FT | Section 80 Engineering Services Portfolio Committee | Ward 7 (DA) | 91% | 100% |
| 8. Cllr. S.D. Nyaku | FT | Section 80 Community Services Portfolio Committee | DA | 82% | 100% |
| 9. Cllr. W.F. de Agrella | PT | Section 80 Engineering Services Portfolio Committee | Ward 1 (DA) | 91% | 100% |
| 10. Cllr. J.M. Dlangamandla | PT | Section 80 Corporate Services Portfolio Committee | ANC | 91% | 100% |
| 11. Cllr. S.E. Hlengwa | PT | Section 80 Development & Planning Portfolio Committee | Ward 11 (ANC) | 100% | 0% |
| 12. Cllr. S.M.A. Janse van Rensburg | FT | Section 80 Development & Planning Portfolio Committee | Ward 2 (DA) | 100% | 0% |
| 13. Cllr. M.C. Kruger | PT | Section 80 Community Services Portfolio Committee | Ward 12 (DA) | 100% | 0% |
| 14. Cllr. J. Mabaso | PT | Section 80 Engineering Services Portfolio Committee | Ward 6 (ANC) | 100% | 0% |
| 15. Cllr. M.M. Mahlangu | PT | Section 80 Finance Portfolio Committee | Ward 10 (ANC) | 100% | 0% |
| 16. Cllr. M.L. Modikeng | PT | Section 80 Community Services Portfolio Committee | Ward 6 (ANC) | 91% | 100% |
| 17. Cllr. M.J. Mphasawe | PT | Section 80 Engineering Services Portfolio Committee | EFF | 91% | 100% |
| 18. Cllr. M.A. Myburgh | PT | Section 80 Finance Portfolio Committee and Council | DA | 91% | 100% |
| 19. Cllr. S. Muirhead | PT | Section 80 Engineering Services Portfolio Committee | Ward 13 (DA) | 100% | 0% |

| | | | | | |
|--|----|---|--------------|------|------------|
| 20. Cllr. M.M. Ndebele | PT | Section 80 Finance Portfolio Committee and Council | Ward 8 (ANC) | 91% | 100% |
| 21. Cllr. J. Mazibuko | PT | Section 80 Finance Portfolio Committee and Council | EFF | 73% | 100% |
| 22. Cllr. M.G.I. Ngcobo | PT | Section 80 Engineering Services Portfolio Committee | ANC | 91% | 100% |
| 23. Cllr. H.P. Oosthuysen | PT | Section 80 Development & Planning Portfolio Committee | Ward 9 (DA) | 100% | 0% |
| 24. Cllr. L. Parsonson | PT | Section 80 Finance Portfolio Committee and Council | Ward 15 (DA) | 100% | 0% |
| 25. Cllr. P. Ramushu | PT | Section 80 Development & Planning Portfolio Committee | ANC | 91% | 100% |
| 26. Cllr. T.C. Sikhosana | PT | Section 80 Corporate Services Portfolio Committee | DA | 91% | 100% |
| 27. Cllr. M.S. Schoeman | PT | Section 80 Community Services Portfolio Committee | Ward 3 (DA) | 100% | 0% |
| 28. Cllr. M.B. Tabo | PT | Section 80 Corporate Services Portfolio Committee | ANC | 91% | 100% |
| 29. Cllr. C.G. Pypers | PT | Section 80 Community Services Portfolio Committee | FF+ | 91% | 100% |
| <i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i> | | | | | T A |

Concerning Appendix A

The above percentages are based on the attendance of scheduled ordinary Council meetings, as well as non-scheduled special Council meetings. The combined total number of meetings is 11.

Calculations:

- 11 attended – 100%
- 10 attended – 91%
- 9 attended – 82%
- 8 attended – 73%
- 7 attended – 64%
- 6 attended – 54%
- 5 attended – 45%
- 4 attended – 36%
- 3 attended – 27%

Apologies:

- 100% - Apologies submitted for all (none attendance)
- 80% - 5 not attended, only 4 apologies submitted
- 71% - 7 not attended, only 5 apologies received
- 67% – 3 not attended, only 2 apologies received
- 50% – 2 not attended, only 1 apology received

The attendance of Section 80 and Section 79 Committees is not taken into account, for the purpose of calculating the attendance percentages.

T A.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral / Executive Committee) and Purposes of Committees | |
|---|---|
| Municipal Committees | Purpose of Committee |
| SECTION 80 COMMITTEES | Section 80 Committees – established to assist the Executive Mayor and Mayoral Committee. The Executive Mayor appoints the Chair-person and may delegate power to these committees. The Mayoral Committee may vary or cancel any decisions taken by these committees. All Section 80 Committees report to the Mayoral Committee. In MLM there are 5 Mayoral Committee Members and thus 5 Section 80 Portfolio Committees: Corporate and Finance Services, Engineering Services, Community Services, Protection and Human Resources and Development Planning and Housing. |
| MAYORAL COMMITTEE | Mayoral Committee – It is the committee of the Executive Mayor and members of the Mayoral Committee. Council may delegate certain functions to the Mayoral Committee. This is done in the system of delegations. The Mayoral Committee must report all decisions taken to Council. The functions not delegated must then be recommended to the full Council. |
| COUNCIL | Council – Represented by all councillors in the Municipality. It is chaired by the Speaker of Council. |
| MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) | In assisting the Council with its oversight function a Section 79 Municipal Public Accounts and Oversight Committee(MPAC) was established with specific terms of references. |
| PERFORMANCE & AUDIT COMMITTEE | Established in terms of Section 166 of the MFMA. Committee established per Council Resoluton M/155/09/2001 dated 30 Aug 2001. |
| BID ADJUDICATION COMMITTEE | Bid Adjudication Committee is last in the procedure for dealing with bids of the MLM, and is responsible for the final decisions regarding the adjudication of a bid. Proposals regarding the applicable and qualifying bids for each tender get submitted from the Bid Evaluation Committee to the Bid Adjudication Committee, where the adjudication is finalised. The Chairperson of the Bid Adjudication Committee is the Chief Financial Officer, who is not allowed or involved in the Bid Evaluation Committee at any stage. |
| ICT STEERING COMMITTEE | Consists of representatives from all departments in Council. This committee manages the purchase of ICT equipment and is also a channel for resolving ICT issues within the departments. |
| SECTION 79 PLACE NAME COMMITTEE | Established to deal with changing of street names. |
| SECTION 79 PETITIONS COMMITTEE | Established to deal with petitions. |
| SECTION 79 ETHICS COMMITTEE | Established to enforce and apply the Code of Conduct for Councillors. |
| T B | |

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---|---|
| Directorate | Director/Manager (State title and name) |
| Not applicable. Included in T2.2.2 | |
| Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2). | T C |

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air Pollution | No | N/A |
| Building Regulations | Yes | N/A |
| Child Care Facilities | Yes | N/A |
| Electricity and Gas Reticulation | Yes | N/A |
| Fire fighting Services | Yes | N/A |
| Local Tourism | No | N/A |
| Municipal Airports | No | N/A |
| Municipal Planning | Yes | N/A |
| Municipal Health Services | Yes | N/A |
| Municipal Public Transport | No | N/A |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes | N/A |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No | N/A |
| Storm-water Management Systems in Built-up Areas | Yes | N/A |
| Trading Regulations | Yes | N/A |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | Yes | N/A |
| Beaches and Amusement Facilities | No | N/A |
| Billboards and the display of advertisements in public places | Yes | N/A |
| Cemeteries, Funeral Parlours and Crematoria | Yes | N/A |
| Cleansing | Yes | N/A |
| Control of Public Nuisances | Yes | N/A |
| Control of undertakings that sell liquor to the public | No | N/A |
| Facilities for the accommodation, care and burial of animals | No | N/A |
| Fencing and Fences | Yes | N/A |
| Licensing of Dogs | No | N/A |

| | | |
|---|-----|------------|
| Licensing and control of undertakings that sell food to the public | Yes | N/A |
| Local Amenities | Yes | N/A |
| Local Sport Facilities | Yes | N/A |
| Markets | No | N/A |
| Municipal Abattoirs | No | N/A |
| Municipal Parks and Recreation | Yes | N/A |
| Municipal Roads | Yes | N/A |
| Noise Pollution | Yes | N/A |
| Pounds | No | N/A |
| Public Places | Yes | N/A |
| Refuse removal, refuse dumps and solid waste disposal | Yes | N/A |
| Street Trading | Yes | N/A |
| Street Lighting | Yes | N/A |
| Traffic and Parking | Yes | N/A |
| * If municipality: indicate (yes or No); * If entity: Provide name of entity | | <i>T D</i> |

APPENDIX E – WARD REPORTING

| Functionality of Ward Committees | | | | | |
|----------------------------------|--|----------------------------------|---|--|---|
| Ward Name (Number) | Name of Ward Councillor and Elected Ward Committee Members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
| 1 | Cllr. Wayne de Agrella Community Based Organisations (Monesa Rebecca) Development and Planning (Mashinini Thulani) CPF (Sime Frank) Engineering (Mantshaneng Matela) Finance and Council and HR (Tshawe Bafana) Social Services (P Tshawe) Woman (Makhakhe Mamonare) Youth (Zaas Samuel) Disabled (Mothlodi Solomon) Other (Engela Hinds) | Yes | 2 Meetings held for the year | 8 reports were submitted per meeting | 5 |
| 2 | Cllr. Salome Janse van Rensburg Community Based Organisations (Paul Seokamo) Development and Planning (Wessie Mantaoleng) CPF (Mabina Sarah) Engineering (Miya Bongane) Finance and Council and HR (Nkosi Lucas) Social Services (Zacharia Diamond) Woman (Nkosi Mosele) Youth (Staas Sharon) Disabled (Seggie Godfrey) Other (Tlokotsi Jerry) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 2 |
| 3 | Cllr. Marie Schoeman Community Based Organisations (Nkosi Leslie) Development and Planning (Vorster Johannes) CPF (Bronkhorst David) Engineering (Els Cornelius) Finance and Council and HR (Van As Andriaan) Social Services (Van Biljon Magdalena) Woman (Oosthuizen Hermina) Youth (Nagel Marco) Disabled (Vorster Anna) Agriculture (Schoeman Frans) | Yes | 2 Meetings held for the year | 8 reports were submitted per meeting | 1 |

| | | | | | |
|---|--|-----|------------------------------|---|---|
| 4 | Cllr. Peter Teixeira Community Based Organisations (Tshabalala Anna) Development and Planning (Sithole Butana) CPF (Mokhare Tshepiso) Engineering (Shabalala Thokozane) Finance and Council and HR (Maphosa Zebby) Social Services (Mofokeng Motsilisi) Woman (Nteboheng Mafani) Youth (Sedibe Lefi) Disabled (Gxara Rose) General Projects (Rantoa Maserame) | Yes | 2 Meetings held for the year | 8 reports were submitted per meeting | 4 |
| 5 | Cllr. Patricia Hutcheson Community Based Organisations (Cunningham Robert) Development and Planning (Leo-Smith Glenn Keith) CPF (Van der Walt Steven) Engineering (Lesemela Galeboe Moses) Finance and Council and HR (Parkes Ivan) Social Services (Gent Pugiso Jacob) Woman (McAusland Colleen) Youth (McAusland Keaton) Disability (Molefe Christina Mpolokeng) Agriculture & Conservation (Bathgate Collen) | Yes | 2 Meetings held for the year | 8 reports were submitted per meeting | 2 |
| 6 | Cllr. Johannes Mabaso Community Based Organisations (Sepotakele Lesego) Development and Planning (Motloun Given) CPF (Makate Amos Thapelo) Engineering (Mathe Stephen Khasana) Finance and Council and HR (Moloi Sesi Germina) Social Services (Khumalo Debrah) Woman (Lechalaba Mathipe Isabella) Youth (Ledwaba Dimakatso) Disabled (Ngatane Bafo Samuel) Faith Based Organisations (Mohlatsane Azarial Mohlatsane) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting, except for the last quarter where only 5 were received | 4 |
| 7 | Cllr. Dennis Ryder Community Based Organisations (Barendina Pieters) Development and Planning (Gordon Howell) CPF (Richard Graf Zu Bentheim) Engineering (Vacant) Finance and Council and HR (Irene Rita Strydom) Social Services (Eduard Knuist) Woman (Lesley Visser) Youth (Neo Sheila Makola) Disabled (Richard Nhlapo) Other (Lucky Ncobela) | Yes | 2 Meetings held for the year | 2 reports were submitted per meeting | 2 |

| | | | | | |
|----|---|-----|------------------------------|---------------------------------------|---|
| 8 | Cllr. Mike Ndebele Community Based Organisations (Tsholoba Buyisile) Development and Planning (Vuma Freddy Friday) CPF (Nkabinde Elizabeth Seipati) Engineering (Maluleke Josias) Finance and Council and HR (Mokoena Nthabeleng Gladys) Social Services (Mahakoe Andreas) Woman (Mabuya Puleng Joyce) Youth (Molato Lucky Lehlohonolo) Disability (Maduna Maria Manthabeleng) Sports (Sikhosana Njanyana Edward) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 4 |
| 9 | Cllr. Hennie Oosthuysen Community Based Organisations (Thabe Vuyelwa) Development and Planning (Mthimkhulu Jonas) CPF (Masombuka Ndivhuwo) Engineering (Mbuliswa Mofokeng) Finance and Council and HR (Motaung Lebohang) Social Services (Molefe Ntombazana) Woman (Mazibuko Paulina) Youth (Tabo Jabulani) Disabled (Ntuli Nomthanazo) Other (Msimanga Moses) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 2 |
| 10 | Cllr. Martha Mahlangu Community Based Organisations (Precious Gumede) Development and Planning (David Mngomezulu) CPF (Amelia Potsane) Engineering (Zola Tsotso) Finance and Council and HR (Dumazile Tshabangu) Social Services (Esther Joseph) Woman (Pascalinah Mokoena) Youth (Dominic Dlangamandla) Disabled (Mahlomola Lehloka) Religion (Shime Melatsi) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 4 |
| 11 | Cllr. Bekinkosi Hlengwa Community Based Organisations (Nosicelo Dlamini) Development and Planning (Lerato Charity Shai) CPF (Jane Ntombi Mashifane) Engineering (Mmapuleng Christina Dube) Finance and Council and HR (Sibongile Duma) Social Services (Portia Puntl Mtetwa) Woman (Ntasi Talitha Disebo) Youth (Nkululeko Madlala Xolo) Disabled (Masemang Sophie Sithole) Ward Ambassador (Gillian van der Westhuizen) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 3 |

| | | | | | |
|----|--|-----|------------------------------|---------------------------------------|---|
| 12 | Cllr. Mariana Kruger Community Based Organisations (Claudia Lerato Motaung) Development and Planning (John Lebusa) CPF (Nomzamo Mbanjwa) Engineering (Vuwani Richard Mbedzi) Finance and Council and HR (Johannes Hermanus van Eeden) Social Services (Tshokolo Stephen Sekhosana) Woman (Harriet Nombulelo Shadi) Youth (Keketso Bernard Mohapi) Disabled (Mirriam Dikeledi Maluleke) Agriculture and Conservation (Roxanne du Toit) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 1 |
| 13 | Cllr. Sue Muirhead Community Based Organisations (Walter Luvuno) Development and Planning (Ditaba Mokoena) CPF (Johannes Viljoen) Engineering (Mthuthuzeli Dloboyi) Finance and Council and HR (Constance Motaung) Social Services (Schalk Vermeulen) Woman (Mphanya Emily) Youth (Alida Vermeulen) Disabled (Willem Vermaak) Religion/ Faithbased Organisations (Johannes van Eeden) | Yes | 2 Meetings held for the year | 10 reports were submitted per meeting | 1 |
| 14 | Cllr. Phil Pretorius Community Based Organisations (Pretorius Andries Lodewickus) Development and Planning (Van Tonder André) CPF (Mancer Christine Henrina) Engineering (Myburgh Andries Dries) Finance and Council and HR (Jordaan Edwin Donald) Social Services (Jordaan Berlina Johanna) Woman (Botha Estelle) Youth (Jordaan Francis George) Disability (Mc Kenzie Miriam Riette) Other (Botha Johannell) | Yes | 2 Meetings held for the year | 7 reports were submitted per meeting | 1 |
| 15 | Cllr. Linda Parsonson Community Based Organisations (Evodia Talent Mtimkulu) Development and Planning (Enoch Malisa) CPF (Phakiso Simon Mosia) Engineering (Phumelele Nebe) Finance and Council and HR (Sipho Cornelius Dhlamini) Social Services (Gillian Hunt) Woman (Phindile Belinda Ndebe) Youth (Noluthando Dhlamini) Disability (Caroline Motsephe) Ward Ambassador (Malcom Hack) | Yes | 2 Meetings held for the year | 7 reports were submitted per meeting | 2 |

| | | | | | |
|-------|---|--|--|--|--|
| Other | CWP Public Meeting - Wards 8, 10, 11, 13 | | | | |
| | IDP Public Meeting All Wards | | | | |
| | Budget Public Meeting 4,6,8,10,11 and 15 | | | | |
| | Soma - All 15 Wards | | | | |
| | Faith Based Forum - All 15 Wards | | | | |
| | Business Breakfast - All 15 Wards | | | | |
| | Elections of Ward Committee Members Sept 2017 | | | | |
| | Induction of Ward Committee Members Dec 2017 | | | | |
| | Farmers Engagement Forum - All 15 Wards | | | | |
| | Youth Public Event | | | | |
| | Disability Forum - All 14 Wards | | | | |
| T.E | | | | | |

APPENDIX F – WARD INFORMATION

| Whole of Municipality | | | | |
|---|--|------------|----------|--------------|
| Capital Projects: Seven Largest in Year 2016-17 (Full List at Appendix O) | | | | |
| | | | | R' 000 |
| No. | Project Name and detail | Start Date | End Date | Total Value |
| 1 | Electrification Projects | Jul-16 | Jun-17 | 9 000 000 |
| 2 | Sicelo/Highbury (Valley Settlements) Reservoir | Jul-16 | Jun-17 | 8 707 135 |
| 3 | Risiville Substation (Bulk Contribution) | Jul-16 | Jun-17 | 8 105 649 |
| 4 | Extension To Daleside Sewer (MIG) | Jul-16 | Jun-17 | 5 146 601 |
| 5 | Upgrade Sewage Network (MIG) | Jul-16 | Jun-17 | 4 835 877 |
| 6 | Water Loss Programme-Pipe Replace | Jul-16 | Jun-17 | 4 321 721 |
| 7 | Upgrade Intersections | Jul-16 | Jun-17 | 4 000 000 |
| | | | | <i>T F.1</i> |

Note: Due to a lack of financial resources, not all wards have been allocated projects. Kindly refer to Appendix O

| Basic Service Provision | | | | | |
|---|--------|------------|-------------|--------|---------|
| Detail | Water | Sanitation | Electricity | Refuse | Housing |
| Households with minimum service delivery | 29 583 | 26 766 | 13 274 | 18 463 | |
| Households without minimum service delivery | 269 | 3 086 | 2 799 | 202 | |
| Total Households* | 29 852 | 29 852 | 16 073 | 18 665 | |
| Houses completed in year | | | | | |
| Shortfall in Housing units | | | | | |
| *Including informal settlements | | | | | T.F.2 |

| Top Four Service Delivery Priorities for Ward (Highest Priority First) | | |
|--|--|--|
| No. | Priority Name and Detail | Progress During Year 2015/2016 |
| 1 | Mamello Informal Settlement | |
| | 1. Upgrading of roads and sewer | Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads and sewer. |
| | 2. Daily Clinic | |
| | 3. Community Hall | None |
| | 4. Library | |
| | Bantu Bonke Informal Settlement | |
| | 1. Upgrading of roads, storm water and street lights | Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads, water, sewer and electricity. |
| | 2. Water | Design of new water tower completed |
| | 3. Sanitation | Planning for the refurbishment of WWTW completed |
| | 4. Clinic | |
| | 5. Youth Advisory Centre | |
| | 6. Library | |
| 2 | Risiville | |
| | 1. Upgrading of storm-water and roads | Roads resealed |
| | 2. Convert oval to Risiville Country Club | None |
| | 3. Fence parks and upgrade facilities | Parks were not fenced, Facilities were upgraded, Rugby posts ,netball posts and play equipment were installed at various parks in Risiville |
| | 4. Fencing of service roads | |
| 3 | Rothdene | |
| | 1. Roads | Paved roads |
| | 2. Sanitation - Rothdene | Design of sewer pumpstation and rising mains completed |
| 4 | Henley on Klip | |
| | 1. Upgrading of roads and sewer | Feasibility study for sewer is being undertaken |
| | 2. Clinic | |
| | 3. Recreational facilities | |
| | 4. Playground equipment | Additional play equipment was installed on The Oval Park |
| | Schoongezicht | |
| | 1. Upgrading of roads and electricity | |
| | 2. Rural safety | |
| | 3. Water | New bulk water supply line improved pressure system |
| | 4. Mobile Clinic | |
| | 5. Refuse removal | Landfill site was fenced for access control |
| | 6. Klipwater | |

| | | |
|----------|--|--|
| | 7. Management of storm-water | Stormwater system maintained |
| | 8. Upgrading of roads | |
| | 9. Community Hall | None |
| | 10. Upgrading of sewer and electricity | 192 streetlights installed |
| | Gardenvale | |
| | 1. Upgrading of roads, water, sewer and storm-water management | Water network upgraded, water, sewer and storm-water management system maintained |
| | 2. Formalised taxi rank & bus stop | |
| | 3. Clinic | |
| | 4. ABET Training | |
| 5 | Drumblade | |
| | 1. Management of storm- water and upgrading of roads | Roads and storm-water systems maintained |
| | 2. Soccer field and other sport facilities | None |
| | 3. Pension Pay Points | |
| | 4. Mobile Clinic | |
| | 5. Piel's Farm Squatter Camp - Provision of water | |
| | 6. Boitumelo Squatter Camp | |
| | 7. Provision of water, roads and sewer | Sufficient supply of water and roads maintained No plans to install sewer system yet |
| | 8. Sporting Facilities | Soccer posts, netball posts and grading of the playing fields was done, play equipment – Jungle-gym was installed, additional existing play equip-ment was fixed and painted |
| | 9. Community Hall | None |
| | 10. Sanitation | Installed communal sanitation for informal settle-ment |
| | Daleside | |
| | 1. Upgrading of street lights and sewer | Streetlights installed |
| | 2. Recreational facilities | No available land |
| | 3. Play Parks | |
| | Walkers Fruit Farm | |
| | 1. Retirement Home | |
| | 2. Schools | |
| | 3. Early Development Centre | |
| 6 | Ohenimuri | |
| | 1. Upgrading of street lights, roads and storm-water | Roads and storm-water systems maintained |
| | 2. Police Station | |
| | 3. Library | |
| | 4. Parks & Play Grounds | |
| | Lakeside | Water pressure system upgraded |
| | 1. Upgrading of street lights | Existing streetlights |
| | 2. Schools (Primary & Secondary) | |
| | 3. Sport facilities | Bulk earthworks completed |

| | | |
|-----------|---|---|
| | 4. Roads | 5 streets paved |
| | 5. De Deur | |
| | 6. Upgrading of street lights, water and storm-water | 12 high masts installed, no funds for additional lights |
| | 7. Sport facilities | |
| | 8. Community Hall | |
| | 9. Shopping Centre | |
| 7 | Blignautsrus, Tedderfield, Hartzenbergfontein, Alewynspoort and Walkers Fruit Farm | |
| | 1. Upgrading of Roads | Roads graded and maintained |
| | 2. Mobile Clinic | |
| | 3. Satellite EMS & SAPS | |
| | 4. Community Centre | |
| 8 | Sicelo | |
| | 1. Housing | Internal services for informal settlements are being designed |
| | 2. Street Lights | 4 high masts installed |
| | 3. Water | 38 communal standpipes installed |
| | 4. Sanitation | Bulk water and sewer reticulation being installed |
| | 5. School | |
| | 6. Roads | |
| 9 | Meyerton | |
| | 1. Upgrading of storm-water, sewer, roads and refuse removal | Storm-water and sewer maintained and roads resealed |
| | 2. Play Parks in Pierneef Boulevard | |
| | 3. Cycle Lanes | |
| | 4. Unemployment Centre | |
| 10 | Sicelo Informal Settlement | |
| | 1. Upgrading of roads, street lights and management of storm-water | Roads and storm-water system maintained, Started paving Steve Biko Road |
| | 2. Place of Public Worship | |
| | 3. Police Station | |
| | 4. Local Policing Forum / Committee | |
| 11 | Street Lights | Street lights retrofitted with energy saving lights |
| | 2. Sport Facilities | Construction of soccer field and outdoor gym |
| | 3. Secondary School | |
| | 4. Retail Shopping Centre | |
| 12 | Housing | |
| | 2. Water (Replace water tanks with taps) | Communal water supply points upgraded |
| | 3. Sanitation | VIP toilets installed. |
| | 4. Land for development | |
| 13 | Upgrading of Roads (Gravel to tar) | Rebuilding part of Jan Neethling road and paving of some of the other roads |
| | 2. Upgrading of sewer network | |

| | | |
|--------------|---|---|
| | 3. Public ablution at park | |
| | 4. Improved and safer access to Jim Fouche Road | |
| 14 | 1. Traffic Calming measures at schools (Painting / Signs / Speed Control) | |
| | 2. Roads | Upgrading of inter-sections |
| | 3. Fence next to Erna Church Street | |
| | 4. Activity Parks for the youth (Skateboard Parks) | Park was developed adjacent to Pierneef Boulevard |
| | 5. Meyerton Sports Club (Phase 2) – Palisade & Paving | Project completed |
| T F.3 | | |

ELECTED WARD MEMBERS (STATING NUMBER OF MEETINGS ATTENDED – MAXIMUM 12 MEETINGS)

Note: The table in Appendix E provides all the details of ward committee members and the meetings held by the relevant ward committee.

T F.

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE & AUDIT COMMITTEE

| Municipal Audit Committee Recommendations | | |
|---|--|---|
| Date of Meeting | Committee Recommendations during 2016/2017-financial year | Recommendations adopted (enter Yes) If not adopted provide explanation |
| 25-Aug-16 | Draft Annual Report: 30 Jun 2016 including the Annual Performance Report & Annual Financial Statements | Yes |
| | Annual Financial Statements: 30 Jun 2016 | Yes |
| | Auditor-General Audit Strategy: 30 Jun 2016 | Yes |
| 29-Sep-16 | Annual Audit Plan 2015/2016: Progress & Implementation of Remedial | Yes |
| | Audit of the accuracy of tariffs loaded on the System (FR294) | Yes |
| | Audit of the Financial Year-end Stock Counts (FR291) | Yes |
| | Audit on Cash Counts & Receipts Deposit Test (FR290) | Yes |
| | Audit of Information Technology (ICT) Services: Jan 2016 - Mar 2016 (FR299) | Yes |
| | Audit of Information Technology (ICT) Services: Apr 2016 - Jun 2016 (FR298) | Yes |
| | Audit on the 2 nd Quarter Key Control Checks (2015/2016) (FR292) | Yes |
| | Audit on the 3 rd Quarter Key Control Checks (2015/2016) (FR293) | Yes |
| | Audit on the 4 th Quarter Key Control Checks (2015/2016) (FR302) | Yes |
| | Audit of the Risk Management 2015/2016: Quarter 1 - 3 (FR297) | Yes |
| | Audit of Risk Management 2015/2016: Quarter 4 (FR303) | Yes |
| | Status quo report on Operation Clean Audit (OPCA) for the 2014/2015 | Yes |
| | Audit of the Strategic Risk Register 2015 – 2016: Quarter 4 | Yes |
| | Audit of the Operational Risk Register 2015 – 2016: Quarter 4 | Yes |
| | Audit of the Incident Register: 01 Jul 2015 - 30 Jun 2016 | Yes |
| | Ethics & Risk Management Committee Charter | Yes |
| | Risk Management Strategy 2016/2017 | Yes |
| | Risk Management Implementation Plan 2016/2017 | Yes |
| | Anti-Fraud & Corruption Progress reports received: 01 Oct 2015 - 23 Sep 2016 | Yes |
| | Anti-Fraud & Corruption New reports for the period: 01 Jan 2016 - 23 Sep 2016 | Yes |
| | Anti-Fraud & Corruption Progress: Previous reports received | Yes |
| | Anti-Fraud & Corruption Progress: New reports for the period 1 Jul '15 - 30 Sept 15 | Yes |
| | Performance & Audit Committee Charter: Request to increase sitting allowance | Yes |
| 29-Nov-16 | Annual Audit Plan 2015/2016: Progress & Implementation of Remedial Actions & Approval of the Annual Audit Plan 2016/2017 | Yes |
| | Audit of Supply Chain Management Process (FR300) | Yes |

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| | Status quo report on Operation Clean Audit for the 2014/2015-financial year | Yes |
| | Performance Management Policy (2016/2017) - Reviewed | Yes |
| | Anti-Fraud & Corruption Plan & Policy, 2016 | Yes |
| | Anti-Fraud & Corruption progress: Previous reports received | Yes |
| | Anti-Fraud & Corruption progress: New reports for the period: 24 Sep 2016 - 18 Nov 2016 | Yes |
| | Audit of the Performance Management System (PMS) - 1st Quarter 2016 | Yes |
| | Anti-Fraud & Corruption: Progress Action Plan | Yes |
| | mSCOA Circular 4: Implementation | Yes |
| | Auditor-General: Detailed Audit findings of the review of the General Information Systems Controls conducted for the 2015/2016-financial year | Yes |
| | Auditor-General: Report of the Auditor-General to the Gauteng Provincial Legislature and Council on the Midvaal Local Municipality: 30 Jun 2016 & Final Management Report: 30 Jun 2016 | Yes |
| | Induction of newly appointed Performance & Audit Committee | Yes |
| 17-Feb-17 | Election of Chairperson: Performance & Audit Committee | Yes |
| | Implementation of the proposed amendment to the Performance & Audit Committee Charter (Section 4.1(3), (8), (9) & (10)) | Yes |
| | Performance Assessment Report: Section 52(d)-report | Yes |
| | Final Annual Report | Yes |
| | Annual Audit Plan 2015/2016: Progress & Implementation of Remedial Actions | Yes |
| | Audit of the Performance Management System (PMS): Q4 2015/2016 (FR305) | Yes |
| | Human Resources: Standard Procedures, Appointments & Resignations (FR301) | Yes |
| | Audit of Fixed Assets (FR300) | Yes |
| | 1st & 2nd Quarterly Reports on Key Controls for the 2016/2017- financial year | Yes |
| | Audit of Key Control Checks: 1st & 2nd Quarter (FR308) | Yes |
| | Audit of MFMA Compliance: Sep 2016 (FR312) | Yes |
| | Audit of MFMA Compliance: Oct 2016 (FR311) | Yes |
| | Audit of MFMA Compliance: Nov & Dec 2016 (FR310) | Yes |
| | Audit of Cash Counts & Receipts Deposit Test (FR307) | Yes |
| | Audit of the Information Technology Services (ICT): Jul 2016 (FR314) | Yes |
| | Audit of the Information Technology Services (ICT): Sep 2016 - Dec '16 (FR316) | Yes |
| | Status quo report on Operation Clean Audit for the 2016/2017- financial year | Yes |
| | Mid-year Performance Assessment Report (Predetermined Objectives - Section 72 - MFMA) - 25 Jan 2017 | Yes |
| | Strategic Risk Register 2016/2017: Feedback report for the 1st and 2nd Quarters of the Financial Year | Yes |
| | Incident Register: 2016/2017 | Yes |
| | Anti-Fraud & Corruption Progress: Previous reports received | Yes |
| | Anti-Fraud & Corruption new reports for the period: 24 Sep 2016 - 06 Feb 2017 | Yes |

| | | |
|-----------|--|-----|
| | Approval of the Annual Report inclusive of Annual Financial Statements and report of the Auditor-General for the 2015/2016- financial year | Yes |
| 24-May-17 | Minutes of the 3rd Performance & Audit Committee Meeting held 17 Feb 2017: Key Control Checks: 1st & 2nd Quarter (FR308) | Yes |
| | Annual Audit Plan 2016/2017: Progress & Implementation of Remedial Actions | Yes |
| | Audit of Information Technology System: Aug 2016 (FR315) | Yes |
| | Audit of Information Technology System: Jan 2017 (FR318) | Yes |
| | Audit of Information Technology System: Feb 2017 (FR319) | Yes |
| | Audit of Information Technology System: Mar 2017 (FR323) | Yes |
| | Audit of MFMA Compliance: Jan & Feb 2017 (FR321) | Yes |
| | Audit of MFMA Compliance: Mar 2017 (FR324) | |
| | Status quo on Operation Clean Audit for the 2016/2017- financial year: Quarter 3 | Yes |
| | 3rd Quarterly Report on Key Control Checks 2016/2017 (FR327) | Yes |
| | Quarterly Report: 16 Feb 2017 - 18 May 2017 (CMS) | Yes |
| | 3rd Quarterly Performance Assessment Report: Section 52 (d)-report (PMS) | Yes |
| | Audit of the Performance Management System (PMS): 1st Q (FR322) | Yes |
| | Audit of the Performance Management System (PMS): 2nd Q (FR325) | Yes |
| | Audit of the Performance Management System (PMS): 3rd Q (FR326) | Yes |
| | Audit of Risk Management: 1st & 2nd Quarter 2017 (FR317) | Yes |
| | Strategic Risk Register 2016/2017: Progress Quarter 3 | Yes |
| | Operational Risk Register 2016/2017: Progress Quarter 3 | Yes |
| | Incident Register: Progress Quarter 3 | Yes |
| | Municipal Integrity Project: Progress in terms of the Implementation Plan | Yes |
| | Anti-Fraud & Corruption Progress: Previous reports received | Yes |
| | Anti-Fraud & Corruption: new reports received for the period: 24 Sep 2016 - 06 Feb 2017 | Yes |
| | Audit on mSCOA Implementation (FR320) | Yes |
| | Approval of the Performance & Audit Committee Charter: 01 Oct 2016 - 30 Sep 2019 | Yes |
| | Auditor-General: Preliminary Audit Strategy: 30 Jun 2017 | Yes |
| | Resignation of the Chairperson of the Performance & Audit Committee | Yes |

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| Long Term Contracts (20 Largest Contracts Entered into during 2016/17) | | | | | |
|--|--|------------------------|-------------------------|-----------------|----------------|
| Name of Service Provider (Entity or Municipal Department) | Description of Services Rendered by the Service Provider | Start Date of Contract | Expiry Date of Contract | Project Manager | Contract Value |
| Lichenry/Mariri JV | Construction, rehabilitation and maintenance of tarred and gravel roads | 2017/03/23 | 2019/06/30 | ENG | 41 945 685.58 |
| Consolidated Power Projects | The construction of a 6.5 km, 88 kV overhead line from Eskom Kookfontein MTS Sub-station to Sicelo Sub-station | 2017/03/23 | 2019/06/30 | ENG | 22 836 144.50 |
| ABSA bank | Bid for R12 000 000 (Twelve Million Rand) long term loan facility to finance various infrastructure projects for MLM | 2017/04/01 | 2027/03/31 | FIN | 18 515 134.80 |
| AON South Africa Pty Ltd | Bid for rendering of short-term insurance services for MLM | 2017/07/01 | 2020/06/30 | FIN | 13 941 738.30 |
| Mjodi Facility Management | Bid for rental of plant, vehicles and equipment for social services | 2016/09/29 | 2016/06/30 | COMM | 9 700 000.00 |
| Premier Attraction 217 CC | | | | | |
| Midmar Plant Hire CC | | | | | |
| Nkoananyana Trading Enterprise CC | | | | | |
| Valamehlo Truck Sales CC | | | | | |
| Sobuza Investments CC | | | | | |
| Ekene Investments CCc | | | | | |
| Zwangavho Trading 6 CC | | | | | |
| Camami Supply Chain Specialist | | | | | |
| RTN Civils and Building Construction | | | | | |
| Xmoor Transport | | | | | |
| T&F Construction | | | | | |
| Amawakawaka Projects | | | | | |
| Asatiko Civil and Construction | | | | | |
| Just-Breeze General Trading | | | | | |
| Aqua Transport and Plant Hire | | | | | |
| Malherbe Rigg & Ranwell | Appointment of a panel to render debt collection services for MLM | 2017/04/06 | 2019/06/30 | FIN | 8 550 000.00 |
| Revenue consulting | | | | | |
| Asili risk solutions | | | | | |
| IDP | | | | | |

| | | | | | |
|---|---|------------|------------|------|--------------|
| KPG Surfacing & Civils CC | Supply and delivery of Bitumen products as and when required | 2017/03/16 | 2019/06/30 | ENG | 8 100 000.00 |
| 29th Dimension Corporation | | | | | |
| Down Low Construction and Projects | | | | | |
| Romix Soil Binder | | | | | |
| Electro Cuts | Bid for the reading of water and electricity meters for MLM | 2017/06/05 | 2019/06/30 | FIN | 7 860 908.76 |
| Malherbe Rigg & Ranwell | Appointment of a panel of attorneys to provide Midvaal Local Municipality with legal services as and when required | 2017/07/01 | 2019/06/30 | CORP | 6 700 000.00 |
| Mils & Groenewald | | | | | |
| Klopper Jonker Incorporated | | | | | |
| Taleni-Godi Incorporated | | | | | |
| Douglas Langley Bennett | | | | | |
| Meisi Nkaiseng | | | | | |
| Nozuko Nxusani Incorporated | | | | | |
| Salijee du Plessis van der Merwe Inc | | | | | |
| Cheadle Thompson & Haysom Inc | | | | | |
| Poswa Incorporated | | | | | |
| Ramushu Mashile Twala Inc | | | | | |
| Moodie & Robertson Attorneys | | | | | |
| ABSA bank | Bid for the rendering of banking services | 2017/04/01 | 2022/03/31 | FIN | 6 000 000.00 |
| Nedbank Limited | Bid for the R3 300 000 long term loan for the purchase of vehicles, plant and equipment for MLM | 2017/04/01 | 2022/03/31 | FIN | 4 327 013.65 |
| Red Ant Security Relocation and Evaction Services Pty Ltd | Bid for rendering of disconnection and reconnection of water and electricity services for MLM | 2017/06/26 | 2019/06/30 | FIN | 3 693 179.34 |
| Red Ant Security Relocation and Evaction Services Pty Ltd | Bid for prevention of land invasion and illegal occupation of land for MLM | 2017/06/26 | 2020/06/30 | DP | 3 641 000.00 |
| Digicall Claims Administration Solutions | Bid for the rendering of a complaint/customer service call centre for MLM | 2017/07/01 | 2019/06/30 | CORP | 3 500 000.00 |
| KT Industrial & Logistics CC | Bid for the supply and delivery of electrical items including an after hours service on an as and when required basis for MLM | 2016/10/13 | 2019/07/30 | ENG | 3 500 000.00 |
| Tshwane cables (Pty)Ltd | | | | | |
| Wadeville Cables and Wire | | | | | |

| | | | | | |
|--|--|------------|------------|------|-----------------------|
| Century Electrical | | | | | |
| Maphadimesha Trading Enterprise CC | | | | | |
| Starlight Electrical Wholesalers | | | | | |
| Lesedi Reticulation (Pty) Ltd | | | | | |
| Aberdare Cables | | | | | |
| Beka Schreder (Pty) Ltd | | | | | |
| Cox & Mckay Electrical Engineering | | | | | |
| Tank Industries and African Cables - ATC | | | | | |
| PH Marketing Pty Ltd | | | | | |
| Torrent Industries Pty Ltd | | | | | |
| Reliance Industries Pty Ltd | | | | | |
| Turn on the Light Trading and Projects | | | | | |
| Advanced Product Technology (Pty) Ltd | | | | | |
| Els Electrical Contractors CC | | | | | |
| TLKZ Optimun (Pty) Ltd | | | | | |
| City of Choice | Bid for the rendering of travel, accommodation and car rental service for MLM | 2017/07/01 | 2020/06/30 | CORP | 3 306 000.00 |
| Phambili Services | Supply and delivery of 240 L (HDPE) wheelie bins as and when required for MLM | 2017/03/09 | 2019/06/30 | COMM | 3 018 720.00 |
| Segosedi Electrical and Projects | Bid for the rendering of street cleansing services (Wards 3 - 15) for MLM | 2017/06/01 | 2019/06/30 | COMM | 2 901 072.00 |
| MTM Construction Projects (Pty) Ltd | Cleaning of Roads and intersections for MLM roads section | 2016/08/05 | 2019/06/30 | ENG | 2 100 000.00 |
| Ontec System | Supply, installation and management of a standard transfer specification (STS) and plessey timestamp (PTS) compliant prepayment electricity vending system for MLM | 2017/03/09 | 2019/06/30 | FIN | 2 015 520.00 |
| Conlog (Pty) Ltd | The supply and delivery of pre-paid meters for MLM | 2017/03/15 | 2019/06/30 | ENG | 2 015 520.00 |
| | | | | | 178 167 636.93 |
| T H.1 | | | | | |

| Public Private Partnerships Entered into during 2016/17 | | | | | |
|---|--------------------|-----------------|-------------|-----------------|--------------|
| Name and Description of Project | Name of Partner(s) | Initiation Date | Expiry date | Project manager | Value |
| <p>The municipality registered a Public Private Partnership with National Treasury in terms of Sec 120 of the MFMA for the assessment of the unsolicited bid for the management and maintenance of electricity operations. As at 30 June 2017, the municipality had adopted the Status Quo report as required by section 78(1) of the Municipal Systems Act on 25 May 2017 per item C 1626/05/2017. The transactional advisor is currently busy with the feasibility study.</p> | | | | | |
| | | | | | T H.2 |

APPENDIX I – MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

| Municipal Entity/Service Provider Performance Schedule | | | | | | | | | |
|---|-----------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Name of Entity & Purpose (I) | (a) Service Indicators | 2015/16 | | 2016/17 | | | 2017/18 | 2018/19 | |
| | (b) Service Targets (II) | Target | Actual | Target | | Actual | | Target | |
| | | *Previous Year (III) | (IV) | *Previous Year (V) | *Current Year (VI) | (VII) | *Current Year (VIII) | *Current Year (IX) | *Following Year (X) |
| None | | | | | | | | | |
| <i>Note: This statement should include no more than the top four priority indicators. * "Previous Year" refers to the targets that were set in the Year -1 Budget/IDP round; "Current Year" refers to the targets set in the Year 0 Budget/IDP round. "Following Year" refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (I) set out the Service Indicator (in bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</i> | | | | | | | | | |

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests | | |
|--|--------------------------|---|
| Period 1 July 2016 to 30 June 2017 | | |
| Position | Name | Description of Financial Interests* |
| (Executive) Mayor | B.M. Baloyi | 102 Danie Small Street, Kookrus |
| | | Fund name: Sanlam Retirement Annuity |
| Speaker | F.W. Peeters | JSE - Clover Industries -1 300 shares, JSE Old Mutual Growth Fund |
| | | Meinfred Boerdery - Owner - Farming, sheep, cattle, milk production and other activities |
| | | Midvaal Local Municipality |
| | | Erf 152, Riversdal (Owner) |
| | | Erf 158, Riversdal (Owner) |
| | | Erf 151/12, Riversdal (Owner) |
| | | Schoongezicht LH 20/1 (Owner) |
| | | Schoongezicht LH 20/RR (Owner) |
| Member of Mayoral Committee (MMC) | P.D. Hutcheson-Pretorius | Schoongezicht 378 IR (Tenant) |
| | | Deltrust & CC, Erf 158, Witkopdorp, (Joint Owner) |
| | | Fund name: Municipal Councillors Pension Fund |
| Member of Mayoral Committee (MMC) | P.J. Teixeira | Investec |
| | | 95 Granite Street, Valley Settlements, Randvaal – (Owner) |
| | | Municipal Councillors Pension Fund |
| Member of Mayoral Committee (MMC) | P.J. Teixeira | Erf 129, 34 Brockett Street, Risiville (Registered in wife's name) |
| Member of Mayoral Committee (MMC) | D. Nyaku | Letsema Projects 1998/044687/23 |
| | | Partnership: Letsema Projects 1998/044687/23, SARAWU |
| | | SARAWU - Trade Union |
| | | House 16/323, De Deur, |
| | | Business Stand: 27 Lakeside Estates - Joint Owner |
| Member of Mayoral Committee (MMC) | A. Tsukudu | Part-time: Training Consultant, Labour Consultant and Legal & Para Legal Consultant |
| | | Stratcop - 100% |
| | | Nbhafatso Trading - 100% - Enterprise, Green Energy |
| | | Late Estate, Maintenance |
| | | Residential House - 4 Elm Street, Noldick |
| | | Residential Plot 242, De Deur |
| Member of Mayoral Committee (MMC) | D.R. Ryder | Site 88, Kookrus (Vacant) |
| | | Site 630, Daleside |
| | | Subdivided Site 88 Kookrus with the intention to sell about 10 of the 14 sites. In the process of sub-dividing, rezoning and transferring Site 242 De Deur and sub-stituting it |
| Member of Mayoral Committee (MMC) | D.R. Ryder | Rohan Farms CC - 50% - Dormant Ryder Foods CC - 100 % - Winding down - no longer trading |

| | | |
|-------------|-----------------|--|
| | | Midvaal Local Municipality - Cllr - Elected position |
| | | Erf 77, Blignautsrus AH , Joint Owner with spouse, 50 % |
| | | On 1 Sep 2016 received a deposit of R15,365.18 from Discovery Vitality being a cash back payment on life policies in terms of their rewards and scoring system |
| Councillors | W.F. de Agrella | Old Mutual PLC - Retirement Policy - 1312 |
| | | Self employed - Odd jobs - Emergency break-downs & Repairs, Part time Councillor |
| | | Plot 104, Ring Road West, Vaal Marina, Vaaldam - Joint Owner with spouse |
| | | Fund Name: AIMS Living Annuity Investment |
| | M.C. Kruger | Nukam Services CC - 1996/012764/23 (Dormant) |
| | | Magnificent Realisation Productions |
| | | 2013/064816/07 (Radio & TV) (Dormant) |
| | | The Blue Dot Roze |
| | | 2013/064851/07 (Funeral Services) (Dormant) |
| | | Plot 87 Drumblade - Owner |
| | | DA Pension Fund |
| | | Life partner runs own business, Invested money in MMM |
| | M. Mahlangu | SASSA Grant |
| | M.S. Schoeman | Midvaal Local Municipality - Councillor 2011-2016 |
| | | Destinata school - Finances |
| | | Gauteng Shared Services Pension - Pension Administrator |
| | | Destinata School Salary |
| | | 23 Hoffman Street, Kookrus (Owner) |
| | | Gauteng Department of Education Pension Fund |
| | | Cash Investment |
| | L. Parsonson | Detached Dwelling - Joint Owner |
| | | SALGA |
| | T.C. Sikhosana | None |
| | M. Myburgh | iSew (Pty) Ltd Sewing School 92406558 2015/033484/07 |
| | | iMed Systems Credit Controller - Salary |
| | M.M. Ndebele | Residential House - Owner |
| | | Fund name: Municipal Councillors Pension Fund |
| | | Member of NPO - Engaging Parents Organisation |
| | J. Mabaso | Together as one service provider 2012/006177/24 |
| | | Residential - Owner |
| | | Lakeside Estate Development Forum - (NGO) |
| | J. Mazibuko | Nil |
| | M. J. Mphasawe | Eskom - Utility - Contract terminated (Declared a dispute) |
| | | Applied for RDB House |
| | S. Muirhead | Flexilube (Pty) Ltd - Accounts/Wages (Salary) |

| | | |
|--|-----------------------|--|
| | | Residential House - Owner |
| | | Fund at work |
| | B. Hlengwa | Nil |
| | J. Dlangamandla | Nil |
| | P.C. Pretorius | NWU VTC - Lecturer |
| | | Sedibeng Regional Council |
| | | Private Dwelling - Owner |
| | | National Tertiary Education Fund |
| | S. Janse van Rensburg | Sothebys - Real Estate |
| | | 23 Klarer Street, Risville - Joint Owner |
| | C.G. Pypers | Corrie Pypers Boedery 2007/031522/23 - 50% Boedery |
| | | Corrie Pypers Familie Trust 2112/90 - Trustee - Property owning |
| | | Fund name: Sanlam 019220649X8 |
| | | Fund name: Sanlam 019231111x6 |
| | M.G.I. Ngcobo | Terminal Velocity - Ordinary Shares |
| | | Amway: ABO 971787 |
| | | House 365/2 Jangroentjie Street, Randvaal - owner |
| | | Old Mutual |
| | | Mangwane Holdings - Gift - Once Off |
| | H.P. Oosthuysen | Golden Pond Trading |
| | | Erf 335 x 3 CC, Owns Erf 335 Meyerton, |
| | | Erf 675, Meyerton (11 Pretorius Street) |
| | | Erf 315, Rosendal Free State |
| | | Holiday Cottage Erf 3 Rosendal Free State |
| | | Sardine Run CC, Owns Erf 201 & 433, Rosendal, Free State, Vacant Land |
| | | Re/Erf 22, Witkop Juliahof 9 Meyerton |
| | | Hennie Oosthuysen Architects, |
| | | Hennie Oosthuysen Art & Design |
| | M. Tabo | Yeboyethu (Vodacom) Ordinary Shares - 100, Phuthuma |
| | | Nathi Ordinary - 500, MTN National Empowerment Fund – 27 |
| | | NPO: Ingaba Yethu Old Age & Childrens Home |
| | | Methew Gonuse stipend (R4000.00 per year) - SGB |
| | | Training and Parents (SGB and term expires in March 2018 (no remuneration) and Chairperson of Fymana High School in Ekurhuleni |
| | P. Ramushu | 1213 Stanmore Road, Henley on Klip - Joint Owner 23 |
| | | Gerrie Brand Road, Kookrus - Joint Owner |
| | | 1957 Siluma Section - Joint Owner |
| | | Fund Name: Municipal Councillors Pension fund |
| | M. Modikeng | Government Subsidy - Owner |
| | | Fund Name: Municipal Councillors Pension fund |

| | | |
|---|-------------------------|--|
| Municipal Manager | Mr. A.S.A. de Klerk | Residential house - Golf Park, Meyerton |
| Chief Financial Officer | Mrs. A.L. Van Schalkwyk | Residential house - Kempton Park Townhouses x 3 - Kempton Park |
| Deputy Municipal Manager | Mr. T. Peeters | Investments, Policies and Retirement Portfolio as managed by Financial Adviser Residential Townhouse - Alberton Stand – George Vacant Stand Mosselbay Townhouses x 3 Centurion |
| Executive Director: Engi-neering Services | Mr. S. Coetzee | Erf 312, Heidelberg - Residential stand with improvements Erf 1089, Heidelberg - Residential stand with improvements Erf 1877, Heidelberg - Residential stand with improvements Erf 130, Heidelberg Residential Flat Erf 24, Heidelberg Residential Flat Erf 2622, Heidelberg Residential Stand |
| Executive Director: Protec-tion Services | Mr. E. Lensley | Residential house - Arcon Park, Vereeniging |
| Executive Director: Deve-lopment Planning & Housing | Mr. H. Human | Residential house - Helderkruijn, Roodepoort |
| Executive Director: Commu-nity Services | Mr. S. Mosidi | Residential house - Pretoria North Residential House - Secunda Residential House - Pampierstad Residential House - Nelspruit Delta Environ - NPO - R0, SMM & Associate CC - Dormant, Solly Mosidi TC CC - Dormant |
| * Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A | | T J |

APPENDIX K - REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K(I) - REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote | | | | | | |
|--|----------------|-----------------|-----------------|----------------|------------------|--------------------|
| Vote Description | 2015/16 | 2016/17 | | | 2016/17 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Executive Council | 5 005 | 7 792 | 7 792 | 6 592 | -15% | -15% |
| Finance & Admin | 182 250 | 178 099 | 185 099 | 193 389 | 9% | 4% |
| Development & Planning | 2 509 | 2 702 | 2 702 | 3 036 | 12% | 12% |
| Health | 4 196 | 7 149 | 7 149 | 4 101 | -43% | -43% |
| Community Services | 5 707 | 7 819 | 6 891 | 6 424 | -18% | -7% |
| Protection Services | 49 358 | 53 687 | 53 687 | 49 723 | -7% | -7% |
| Sport & Recreation | 172 | 107 | 107 | 141 | 32% | 32% |
| Environmental Protection | 2 393 | 2 679 | 2 679 | 2 458 | -8% | -8% |
| Waste water & Sanitation | 46 602 | 51 138 | 47 138 | 46 704 | -9% | -1% |
| Waste Management | 43 511 | 49 940 | 47 440 | 44 005 | -12% | -7% |
| Roads & stormwater | 1 712 | 1 746 | 1 746 | 1 746 | 0% | 0% |
| Water Services | 158 757 | 186 501 | 181 001 | 184 610 | -1% | 2% |
| Electricity | 298 356 | 335 919 | 335 919 | 337 820 | 1% | 1% |
| Savanna City | 7 944 | 25 167 | 16 718 | 9 986 | -60% | -40% |
| Total Revenue (excluding capital transfers and contributions) | 808 473 | 910 445 | 896 067 | 890 736 | 2% | 1% |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 | | | | | | T K.1 |

| Revenue Collection Performance by Source | | | | | | |
|---|----------------|-----------------|--------------------|----------------|------------------|--------------------|
| Description | 2015/16 | 2016/17 | | | 2016/17 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 146 376 | 154 255 | 162 308 | 164 775 | 6% | 1% |
| Property rates - penalties & collection charges | - | - | - | - | 0% | 0% |
| Service Charges - electricity revenue | 273 891 | 318 910 | 311 708 | 311 210 | -2% | 0% |
| Service Charges - water revenue | 142 408 | 172 344 | 163 426 | 163 423 | -5% | 0% |
| Service Charges - sanitation revenue | 34 494 | 38 223 | 32 846 | 34 292 | -11% | 4% |
| Service Charges - refuse revenue | 29 869 | 34 261 | 30 581 | 30 667 | -12% | 0% |
| Service Charges - other | - | - | - | - | 0% | 0% |
| Rentals of facilities and equipment | 1 359 | 1 404 | 1 404 | 610 | -130% | -130% |
| Interest earned - external investments | 7 611 | 3 800 | 5 300 | 10 377 | 63% | 49% |
| Interest earned - outstanding debtors | 11 254 | 8 400 | 6 900 | 8 312 | -1% | 17% |
| Dividends received | - | - | - | - | 0% | 0% |
| Fines | 48 424 | 52 823 | 52 823 | 49 029 | -8% | -8% |
| Licences and permits | - | - | - | - | 0% | 0% |
| Agency services | - | - | - | - | 0% | 0% |
| Transfers recognised - operational | 84 177 | 96 253 | 95 325 | 92 056 | -5% | -4% |
| Other revenue | 28 237 | 29 672 | 33 347 | 25 841 | -15% | -29% |
| Gains on disposal of PPE | 372 | 100 | 100 | 145 | 31% | 31% |
| Environmental Protection | - | - | - | - | 0% | 0% |
| Total Revenue (excluding capital transfers and contributions) | 808 473 | 910 445 | 896 067 | 890 736 | -2.21% | -0.60% |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. | | | | | | T K.2 |

APPENDIX L - CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

| Conditional Grants: excluding MIG | | | | | | R' 000 |
|---|-----------------|--------------------|---------------|-----------------|--------------------|---|
| Details | Original Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Original Budget | Adjustments Budget | |
| Electrification Projects | 9 000 | 9 000 | 9 000 | | 0,0% | Provision of bulk electricity |
| Modular Library (Bantu Bonke) | 1 500 | 1 592 | 1 592 | -6,2% | 0,0% | Provision of one modular library in Bantu Bonke |
| ICT Hardware & Upgrades (DAC) | | 686 | 686 | | 0,0% | Library ICT equipment |
| Lakeside Library Books (DAC) | 50 | 393 | 393 | -685,5% | 0,0% | Provision of Library Books |
| Meyerton Library Books (DAC) | 50 | 287 | 285 | -470,4% | -0,6% | Provision of Library Books |
| Sicelo Library Books (DAC) | 50 | 194 | 194 | -288,4% | -0,1% | Provision of Library Books |
| Book Security Systems (DAC) | 270 | 136 | 136 | 49,7% | -0,2% | Provision of Library Security System |
| HOK Library Books (DAC) | 50 | 132 | 132 | -164,2% | 0,0% | Provision of Library Books |
| De Deur Library Books (DAC) | 50 | 77 | 77 | -53,4% | | Provision of Library Books |
| Furniture (DAC) | | 83 | 70 | | -15,0% | Provision of Library Furniture |
| Randvaal Library Books (DAC) | 50 | 55 | 55 | -10,9% | 0,0% | Provision of Library Books |
| White Board E Learning | 170 | | | | | Library ICT equipment |
| Micro Server | 90 | | | 100,0% | | Library ICT equipment |
| Total | 11 330 | 12 636 | 12 621 | -0,1% | 99,9% | |
| * This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government. | | | | | | L T |

COMMENT ON CONDITIONAL GRANTS (EXCLUDING MIG)

Midvaal spent all grants in full by the end of the financial year

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APPENDIX M - CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M(I) - CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital Expenditure - New Assets Programme* | | | | | | | |
|---|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
| Description | R '000 | | | | | | |
| | 2015/16 | 2016/17 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2017/18 | 2018/19 | 2019/20 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | 11 618 | 52 264 | 60 064 | 55 144 | 80 639 | 41 381 | 71 606 |
| Infrastructure: Road transport - Total | | 2 639 | 2 618 | 2 618 | 7 239 | 5 781 | 966 |
| Roads, Pavements & Bridges | | 2 639 | 2 618 | 2 618 | 7 239 | 5 781 | 966 |
| Storm water | | | | | | | |
| Infrastructure: Electricity - Total | 1 633 | 23 300 | 21 107 | 19 469 | 37 950 | 13 050 | 45 590 |
| Generation | | 23 300 | 21 020 | 19 382 | | | |
| Transmission & Reticulation | 1 157 | | | | 37 700 | 12 550 | 45 090 |
| Street Lighting | 476 | | 87 | 87 | 250 | 500 | 500 |
| Infrastructure: Water - Total | 6 308 | 18 900 | 20 640 | 19 130 | 8 650 | 7 300 | 7 300 |
| Dams & Reservoirs | | | | | | | |
| Water purification | | | | | | | |
| Reticulation | 6 308 | 18 900 | 20 640 | 19 130 | 8 650 | 7 300 | 7 300 |
| Infrastructure: Sanitation - Total | 2 742 | 7 425 | 7 069 | 6 708 | 22 150 | 9 100 | 11 600 |
| Reticulation | 2 742 | 7 425 | 7 069 | 6 708 | 22 150 | 9 100 | 11 600 |
| Sewerage purification | | | | | | | |
| Infrastructure: Other - Total | 935 | | 8 630 | 7 219 | 4 650 | 6 150 | 6 150 |
| Waste Management | 125 | | 8 630 | 7 219 | 4 650 | 6 150 | 6 150 |
| Transportation | | | | | | | |
| Gas | | | | | | | |
| Other | 810 | | | | | | |
| Community - Total | 5 910 | 9 720 | 10 458 | 8 806 | 13 610 | 15 150 | 10 000 |
| Parks & gardens | 1 368 | 500 | 700 | 284 | 700 | 700 | 700 |
| Sportsfields & stadia | 2 047 | 3 000 | 2 022 | 1 123 | 4 900 | 6 000 | 6 000 |
| Swimming pools | | | | | | | |
| Community halls | | | | | | 1 000 | 3 000 |
| Libraries | 2 121 | 2 070 | 3 636 | 3 621 | 1 980 | 7 300 | 300 |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | 194 | 4 000 | 4 000 | 3 734 | 6 030 | 150 | |
| Security and policing | 180 | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | 150 | 100 | 44 | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |
| Table continued next page | | | | | | | |

| Table continued from previous page | | | | | | | |
|---|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|----------------|
| Capital Expenditure - New Assets Programme* | | | | | | | |
| Description | 2015/16 | 2016/17 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2017/18 | 2018/19 | 2019/20 |
| Capital expenditure by Asset Class | | | | | | | |
| Heritage assets - Total | | | | | | | |
| Buildings | | | | | | | |
| Other | | | | | | | |
| Investment properties - Total | | | | | | | |
| Housing development | | | | | | | |
| Other | | | | | | | |
| Other assets | 17 787 | 9 505 | 9 728 | 8 189 | 37 522 | 36 637 | 34 007 |
| General vehicles | 13 717 | 3 150 | 2 705 | 2 311 | 12 120 | 4 970 | 4 670 |
| Specialised vehicles | | | | | | | |
| Plant & equipment | 1 877 | 4 880 | 5 506 | 4 496 | 14 359 | 22 434 | 20 384 |
| Computers - hardware/equipment | 1 364 | 295 | 583 | 527 | 1 470 | 1 470 | 1 470 |
| Furniture and other office equipment | 310 | 480 | 630 | 566 | 573 | 413 | 353 |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | 452 | 700 | 288 | 240 | 2 460 | 7 220 | 7 000 |
| Other Buildings | | | | | 5 000 | | |
| Other Land | 68 | | 17 | 48 | 1 415 | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | 125 | 130 | 130 |
| Agricultural assets | | | | | | | |
| List sub-class | | | | | | | |
| | | | | | | | |
| Biological assets | | | | | | | |
| List sub-class | | | | | | | |
| | | | | | | | |
| Intangibles | | 480 | 1 837 | 1 777 | | | |
| Computers - software & programming | | 480 | 1 837 | 1 777 | | | |
| Other (list sub-class) | | | | | | | |
| Total Capital Expenditure on new assets | 35 315 | 71 969 | 82 087 | 73 915 | 131 771 | 93 168 | 115 613 |
| Specialised vehicles | | | | | | | |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |
| * Note: Information for this table may be sourced from MBRR (2009: Table SA34a) | | | | | | | |
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APPENDIX M(ii) - CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

| Capital Expenditure - Upgrade/Renewal Programme* | | | | | | | |
|--|---------|-----------------|-------------------|--------------------|-----------------------------|---------|---------|
| R '000 | | | | | | | |
| Description | 2015/16 | 2016/17 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2017/18 | 2018/19 | 2019/20 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | 47 217 | 9 900 | 9 359 | 9 332 | 11 500 | 9 750 | 15 364 |
| Infrastructure: Road transport -Total | 13 863 | 4 000 | 4 000 | 4 000 | | | |
| Roads, Pavements & Bridges | 13 863 | 4 000 | 4 000 | 4 000 | | | |
| Storm water | | | | | | | |
| Infrastructure: Electricity - Total | 11 257 | | | | 1 200 | 1 500 | 664 |
| Generation | | | | | | | |
| Transmission & Reticulation | 11 257 | | | | 1 200 | 1 500 | 664 |
| Street Lighting | | | | | | | |
| Infrastructure: Water - Total | 3 706 | | | | | | |
| Dams & Reservoirs | | | | | | | |
| Water purification | | | | | | | |
| Reticulation | 3 706 | | | | | | |
| Infrastructure: Sanitation - Total | 16 892 | 5 900 | 5 359 | 5 332 | 4 300 | 1 500 | 7 600 |
| Reticulation | 16 892 | 5 900 | 5 359 | 5 332 | 4 300 | 1 500 | 7 600 |
| Sewerage purification | | | | | | | |
| Infrastructure: Other - Total | 1 500 | | | | 6 000 | 6 750 | 7 100 |
| Waste Management | 1 500 | | | | 6 000 | 6 750 | 7 100 |
| Transportation | | | | | | | |
| Gas | | | | | | | |
| Other | | | | | | | |
| Community | | | | | 658 | 500 | 500 |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | | | | | | | |
| Libraries | | | | | 658 | 500 | 500 |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | | | | | | | |
| Security and policing | | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | | | | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |
| Heritage assets | | | | | | | |
| Buildings | | | | | | | |
| Other | | | | | | | |
| Table continued next page | | | | | | | |

| Table continued from previous page | | | | | | | |
|---|---------|-----------------|-------------------|--------------------|-----------------------------|---------|---------|
| Capital Expenditure - Upgrade/Renewal Programme* | | | | | | | |
| R '000 | | | | | | | |
| Description | 2015/16 | 2016/17 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2017/18 | 2018/19 | 2019/20 |
| Capital expenditure by Asset Class | | | | | | | |
| Investment properties | | | | | | | |
| Housing development | | | | | | | |
| Other | | | | | | | |
| Other assets | 384 | 100 | 1 247 | 1 242 | 64 | 133 | 115 |
| General vehicles | | | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | | 20 | 123 | 118 | 25 | | |
| Computers - hardware/equipment | | 80 | 1 124 | 1 124 | | | |
| Furniture and other office equipment | | | | | 39 | 33 | 15 |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | 384 | | | | | | |
| Other Buildings | | | | | | 100 | 100 |
| Other Land | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | | | |
| Agricultural assets | | | | | | | |
| List sub-class | | | | | | | |
| | | | | | | | |
| Biological assets | | | | | | | |
| List sub-class | | | | | | | |
| | | | | | | | |
| Intangibles | | | | | | | |
| Computers - software & programming | | | | | | | |
| Other (list sub-class) | | | | | | | |
| Total Capital Expenditure on renewal of existing assets | 47 601 | 10 000 | 10 606 | 10 574 | 12 222 | 10 383 | 15 979 |
| Specialised vehicles | | | | | | | |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |
| * Note: Information for this table may be sourced from MBRR (2009: Table SA34b) | | | | | | | T M.2 |

APPENDIX N – CAPITAL PROGRAMME BY PROJECT

| Capital Programme by Project: 2016/17 | | | | | |
|--|-----------------|-------------------|---------------|------------------------|-----------------------|
| | | | | | R' 000 |
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| Water (Refer T3.1.9) | | | | | |
| Sicelo/Highbury (Valley Settlements) Reservoir | | 1 444 | 1 444 | 0% | |
| Water loss programme | | | | | |
| Sicelo/highbury valley settlements | | 307 | 307 | 0% | |
| Water Loss Programme-Pipe Replace | 5 500 | 5 579 | 4 322 | -23% | -21% |
| Water Loss Programme | 2 600 | 2 600 | 2 412 | -7% | -7% |
| Water Meter Replacement Programme | 500 | 500 | 485 | -3% | -3% |
| Sicelo/Highbury Reservoir & Mains | 300 | 300 | 250 | -17% | -17% |
| Sicelo/Highbury (Valley Settlements) Reservoir | 10 000 | 8 707 | 8 707 | 0% | -13% |
| Mamello Bulk Water (MIG) | | 1 204 | 1 203 | 0% | |
| Total | 18 900 | 20 640 | 19 130 | -7% | 1% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|---------------|------------------------|-----------------------|
| Sanitation (Sewerage) (Refer T3.2.9) | | | | | |
| Replacement Of Pumps | 1 000 | 200 | 172 | -14% | -83% |
| Double Cabs | 600 | 575 | 521 | -9% | -13% |
| Pump Stations Upgrade | 2 500 | 500 | 496 | -1% | -80% |
| 2 X LDVs | 700 | 700 | 387 | -45% | -45% |
| Extension Daleside Sewer | 625 | 625 | 605 | -3% | -3% |
| Rodding Trailer | 120 | 128 | 93 | -27% | -22% |
| Jetting Machine | 350 | 550 | 517 | -6% | 48% |
| Extend Sewer Network | 600 | 300 | 291 | -3% | -51% |
| Extension To Daleside Sewer (MIG) | 6 000 | 5 469 | 5 147 | -6% | -14% |
| Mamello Bulk Sewer (MIG) | | 160 | 160 | 0% | |
| Upgrade Sewage Network (MIG) | 3 400 | 4 859 | 4 836 | 0% | 42% |
| Replacement of mixer waste water treatment | | 322 | 322 | 0% | |
| Portable Laboratory Kit | 100 | 71 | 71 | 0% | -29% |
| Flow Meters WWTW | 200 | 194 | 184 | -5% | -8% |
| Diesel Tanker On Trailer 500l | 50 | 42 | 39 | -7% | -22% |
| Furniture | 200 | 207 | 205 | -1% | 2% |
| Total | 16 445 | 14 900 | 14 046 | -6% | -15% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--|-----------------|-------------------|---------------|------------------------|-----------------------|
| Electricity (Refer T3.3.8) | | | | | |
| Land Cruisers | 900 | 600 | 598 | 0% | -34% |
| Sicelo reticulation network (erf 204) | | 200 | 94 | -53% | |
| Sicelo Bulk Network (Erf 78-204) | 800 | 200 | 136 | -32% | -83% |
| Replace Redundant Switchgear | 1 000 | 407 | 297 | -27% | |
| Upgrade Jan Neethling Low Voltage | 2 000 | 1 893 | 1 550 | -18% | -23% |
| Street lights - Daleside | | 87 | 87 | 0% | |
| Risiville Substation (Bulk Contribution) | 9 000 | 9 070 | 8 106 | -11% | |
| New Connections | 500 | 50 | | -100% | |
| Electricity Metering | 1 000 | 200 | 199 | 0% | -80% |
| Electrification Projects | 9 000 | 9 000 | 9 000 | 0% | 0% |
| Total | 24 200 | 21 707 | 20 066 | -8% | -17% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|--------------|------------------------|-----------------------|
| Waste Management Services (Refer T3.4.9) | | | | | |
| Skip Bin Loader With Trailer | 1 800 | 1 800 | 1 799 | 0% | 0% |
| Street Litter Bins | 100 | 108 | 108 | -1% | 8% |
| Wash bay Equipment | 20 | 15 | 15 | 0% | -23% |
| Galloway buy back centre (roll over) | | 16 | 16 | 0% | |
| Tanker - 2500lt & Hard Drive | | 3 | 3 | -28% | |
| Adjustment to Provision for landfill site rehab a | | 8 630 | 7 219 | -16% | |
| Galloway buy back centre | | | | | |
| Total | 1 920 | 10 573 | 9 160 | -13% | 377% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|-----------------------------|-----------------|-------------------|--------------|------------------------|-----------------------|
| Roads (Refer T3.7.9) | | | | | |
| Upgrade Intersections | 4 000 | 4 000 | 4 000 | 0% | 0% |
| Gravel To Tar (MIG) | 2 539 | 2 518 | 2 518 | 0% | -1% |
| Mamello Access Road (MIG) | 100 | 100 | 100 | 0% | |
| Total | 6 639 | 6 618 | 6 618 | 0% | 0% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|-----------|------------------------|-----------------------|
| Development and Planning (Refer T3.10.6) | | | | | |
| Furniture and Equipment | 50 | 50 | 38 | -24% | -24% |
| Total | 50 | 50 | 38 | -24% | -24% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---------------------------------|-----------------|-------------------|--------------|------------------------|-----------------------|
| Libraries (Refer 3.12.6) | | | | | |
| Furniture and Equipment | | 220 | 175 | -20% | |
| White Board E Learning | 170 | | | | -100% |
| Micro Server | 90 | | | | -100% |
| Meyerton Library Books (DAC) | 50 | 287 | 285 | -1% | |
| Book Security Systems (DAC) | 270 | 136 | 136 | 0% | |
| Modular Library (Bantu Bonke) | 1 500 | 1 592 | 1 592 | 0% | 6% |
| ICT Hardware & Upgrades (DAC) | | 686 | 686 | 0% | |
| Airconditioners (DAC) | | | | | |
| Furniture (DAC) | | 83 | 70 | -15% | |
| HOK Library Books (DAC) | 50 | 132 | 132 | 0% | |
| De Deur Library Books (DAC) | 50 | 77 | 77 | 0% | 53% |
| Randvaal Library Books (DAC) | 50 | 55 | 55 | 0% | |
| Sicelo Library Books (DAC) | 50 | 194 | 194 | 0% | 288% |
| Lakeside Library Books (DAC) | 50 | 393 | 393 | 0% | 686% |
| Total | 2 330 | 3 856 | 3 797 | -2% | 63% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|-----------------------------------|-----------------|-------------------|-----------|------------------------|-----------------------|
| Cemeteries (Refer T3.13.6) | | | | | |
| Program For Grave Bookings | 150 | 100 | 44 | -56% | -71% |
| Total | 150 | 100 | 44 | -56% | -71% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|-------------------------------------|-----------------|-------------------|-----------|------------------------|-----------------------|
| Social Admin (Refer T3.14.6) | | | | | |
| Furniture & Equipment | 50 | 28 | 28 | -1% | -45% |
| Computers x 2 | | 26 | 24 | -6% | |
| Total | 50 | 54 | 52 | -4% | 4% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|-------------------------------------|-----------------|-------------------|----------|------------------------|-----------------------|
| Clinics (Refer T3.17.6) | | | | | |
| Examination Couch (Randvaal Clinic) | | 2 | 2 | 0% | |
| Examination Couch (Meyerton Clinic) | | 2 | 2 | 0% | |
| Total | | 4 | 4 | 0% | |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--------------------------------------|-----------------|-------------------|--------------|------------------------|-----------------------|
| Traffic (Refer T3.20.6) | | | | | |
| Painting Machine | 250 | 205 | 205 | 0% | -18% |
| Alcohol Meter | 150 | 82 | 82 | 0% | -45% |
| Drones x 2 | | 72 | 72 | 0% | |
| Night visions x 2 | | 69 | 69 | 0% | |
| Repeaters | | 150 | 150 | 0% | |
| CCTV Cameras and solar installations | | 653 | 653 | 0% | |
| Total | 400 | 1 231 | 1 231 | 0% | 208% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--------------------------------|-----------------|-------------------|--------------|------------------------|-----------------------|
| Fire (Refer T3.21.6) | | | | | |
| Upgrading CCTV | 20 | 22 | 18 | -16% | -8% |
| Machinery & Equipment | 180 | 207 | 207 | 0% | 15% |
| Fire Station Vaal Marina (MIG) | 4 000 | 4 000 | 3 734 | -7% | |
| Total | 4 200 | 4 229 | 3 959 | -6% | -6% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|--------------|------------------------|-----------------------|
| Parks, Sport and Recreation (Refer 3.23.5) | | | | | |
| 10 X Brush Cutters | 40 | 26 | 26 | 0% | -36% |
| Large Chainsaws | 40 | 23 | 23 | 0% | -43% |
| Telescopic Pole Pruners | 25 | 18 | 18 | 0% | -28% |
| Wood Chipper | 600 | 872 | | -100% | -100% |
| Ablution Block Expansion | 100 | 60 | 9 | -86% | -91% |
| Lakeside Sport Centre (MIG) | 2 500 | 1 350 | 654 | -52% | -74% |
| Sicelo Sports Complex (MIG) | 500 | 672 | 469 | -30% | -6% |
| Total | 3 805 | 3 020 | 1 198 | -60% | -69% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|------------|------------------------|-----------------------|
| Executive and Council (Refer 3.24.6) | | | | | |
| Mayoral Vehicle | 650 | 541 | 541 | 0% | |
| Laptop x 2 | | 39 | 39 | | |
| Airconditioner | | 7 | 7 | 0% | |
| Total | 650 | 586 | 586 | 0% | |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--|-----------------|-------------------|------------|------------------------|-----------------------|
| Finance (Refer 3.25.6) | | | | | |
| Vehicle Replacements | 50 | 46 | 41 | -11% | -18% |
| IT Equipment (Computers & Printers Replace | 35 | 37 | 37 | -1% | 6% |
| Security Cameras | | 58 | 58 | -1% | |
| Infrastructure Fuel (Fuel Tank) | | 8 | 6 | -20% | |
| Total | 85 | 150 | 142 | -5% | 67% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--------------------------|-----------------|-------------------|------------|------------------------|-----------------------|
| HR (Refer 3.26.6) | | | | | |
| Recording system | | 60 | 24 | | |
| CCTV Upgrade | | 101 | 99 | | |
| Computer Replacements | 20 | 16 | 16 | 0% | -18% |
| Air-conditioners | | 29 | 29 | 0% | |
| Total | 20 | 207 | 169 | -18% | 745% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---------------------------|-----------------|-------------------|--------------|------------------------|-----------------------|
| IT (Refer 3.27.6) | | | | | |
| mSCOA Server | | 1 815 | 1 755 | -3% | |
| Sepesam Backup Solution | 480 | 22 | 21 | | -96% |
| Upgrade Network Switches | 80 | 48 | 48 | | -40% |
| New Computers & Laptops | 75 | 390 | 344 | -12% | 358% |
| IT Network Infrastructure | | 1 076 | 1 076 | 0% | |
| Total | 635 | 3 351 | 3 244 | -3% | 411% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|-----------------|-------------------|------------|------------------------|-----------------------|
| Property, Legal, Risk (Refer 3.28.6) | | | | | |
| Additional Carports | | 17 | 17 | 0% | |
| Land Purchases (Expropriations) | | 17 | 17 | 0% | |
| Air conditioner | 10 | 35 | 35 | 0% | 249% |
| Office Furniture | | 23 | 20 | | |
| Erf 191 Meyerton Farms (Credit Control) | | | 32 | | |
| Airconditioner | | 35 | 35 | 0% | |
| Total | 10 | 127 | 155 | 22% | 1452% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|--|-----------------|-------------------|-----------|------------------------|-----------------------|
| Engineering Admin (Refer 3.28.6A) | | | | | |
| Engineering Computers | 50 | 50 | 50 | 0% | 0% |
| Standby Generator | 10 | 8 | 8 | 0% | -18% |
| Total | 60 | 58 | 58 | 0% | -3% |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|------------------------------------|-----------------|-------------------|---------------|------------------------|-----------------------|
| Savanna City (Refer 3.29.6) | | | | | |
| Small Municipal Depot | 400 | 50 | 49 | | -88% |
| IT Equipment | 10 | 16 | 13 | | 28% |
| Furniture & Equipment | 10 | 32 | 32 | 0% | 222% |
| Development Of Parks | 500 | 700 | 284 | | -43% |
| Vehicles | 300 | 289 | 265 | -8% | -12% |
| Endowment Savanna City | | | | | |
| Prefabricated Site Office | 200 | 144 | 148 | | -26% |
| Total | 1 420 | 1 231 | 791 | -36% | -44% |
| Grand Total | 81 969 | 92 693 | 84 489 | -9% | 3% |

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

| Capital Programme by Project by Ward: 2016/17 | | |
|---|---------------------------------------|-----------------|
| Capital Project | Ward(s) affected | Works completed |
| Water (Refer T3.1.9) | | |
| Sicelo/Highbury (Valley Settlements) Reservoir | 4, 5, 8, 9, 10, 11 & 14 | No |
| Water Loss Programme | All wards | Ongoing |
| Sicelo/Highbury Valley Settlements | 4, 5, 8, 9, 10, 11 & 14 | No |
| Water Meter Replacement Programme | All wards | Ongoing |
| Sicelo/Highbury (Valley Settlements) Res | 4, 5, 8, 9, 10, 11 & 14 | No |
| Water Loss Programme-Pipe Replace | All wards | No |
| Sicelo/Highbury Reservoir & Mains | 4, 5, 8, 9, 10, 11 & 14 | No |
| Sicelo/Highbury (Valley Settlements) Reservoir | 4, 5, 8, 9, 10, 11 & 14 | No |
| Mamello Bulk Water (MIG) | 1 | No |
| Sanitation (Sewerage) (Refer T3.2.9) | | |
| Extend Sewer Network | All wards | Ongoing |
| Extension To Daleside Sewer (MIG) | 4 | No |
| Mamello Bulk Sewage | 1 | No |
| Upgrade Sewage Network (MIG) | 3, 8, 9, 10 & 11 | No |
| Replacement Of Mixer Waste Water Treatment | 3, 4, 5, 8, 9, 10, 11, 14 & 15 | Yes |
| Pump Stations Upgrade | Various wards | Ongoing |
| Extension Daleside Sewer | 4 | No |
| Electricity (Refer T3.3.8) | | |
| Sicelo Reticulation Network (Erf 204) | 10 | No |
| Street Lights - Daleside | 4 | No |
| Risiville Substation (Bulk Contribution) | 2 | No |
| New Connections | Various wards | Ongoing |
| Electricity Metering | Various wards | Ongoing |
| Electrification Projects (Kookfontein) | 3, 8, & 10 | No |
| Sicelo Bulk Network (Erf 78-204) | 8 | No |
| Replace Redundant Switchgear | Various wards | Ongoing |
| Upgrade Jan Neethling Low Voltage | 13 | Yes |
| Waste Management Services (Refer T3.4.9) | | |
| Galloway Buy Back Centre | In ward 9 but benefits 3, 8, 9 and 10 | No |
| Skip Bin Loader With Trailer | All wards | Ongoing |
| Street Litter Bins | All wards | Ongoing |
| Roads (Refer T3.7.9) | | |
| Upgrade Intersections | 3, 9 & 14 | Yes |
| Gravel To Tar (MIG) | 1, 4, 5, 6, 8, 10, 11 & 14 | No |
| Mamello Access Road (MIG) | 1 | No |
| Libraries (Refer T3.12.6) | | |
| Modular Library Bantu Bonke | 1 | Yes |
| Fire (Refer T3.21.6) | | |
| Fire Station Vaal Marina (MIG) | 1 | No |
| Parks, Sport and Recreation (Refer 3.23.5) | | |
| Lakeside Sport Centre (MIG) | 6 | No |
| Sicelo Sports Complex (MIG) | 8 | No |
| Savanna City (Refer 3.29.6) | | |
| Small Municipal Depot | 11 | No |
| Prefabricated Site Office | 11 | Yes |
| Development Of Parks | 11 | No |

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics | | | | |
|--|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (NAMES, LOCATIONS) | | | | |
| Kudung, near Karan Beef Heidelberg | No | No | No | |
| Daleside | Yes | No | No | |
| | | | | |
| | | | | |
| Clinics (NAMES, LOCATIONS) | | | | |
| | | | | |
| | | | | |
| Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned | | | | TP |

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

| Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis) | | |
|---|--|--|
| Services and Locations | Scale of backlogs | Impact of backlogs |
| Clinics: | | |
| New clinics, upgrading of clinics, mobile clinics, upgrading of mobile to permanent Clinics | The need for upgrading and/or providing of clinics has been reported in wards 1, 4, 5, 6, 8, 10, 11, 12 and 13 | There is a direct link between the housing backlogs and need for clinics. The majority of wards that included one or more formal towns did not express a need for a clinic, whereas the majority of wards that had housing backlogs and/or informal settlements also indicated the need for either mobile clinics, upgraded clinics or new formal clinics. |
| | | |
| Housing: | | |
| Community housing needs expressed correlated with the housing backlog as recorded by Council | The reported housing backlog excluding "shack-farming" is reported to be +/- 5546 units, located in Sicelo, Piels farm, Boitumelo, Kayelitcha and Mamelo | The eradication of the housing backlog is being delayed due to budget constraints, inadequate access to bulk infrastructure, unfavourable soil conditions, unwillingness by the community to be relocated to more favourable conditions and the high number of people that does not qualify for government housing assistance |
| | | |
| Licensing and Testing Centre: | No backlog reported by the community | |
| | | |
| Reservoirs | | |
| When reservoirs are expressed as a community need, it can often refer to a need for internal reticulation, provision of link infrastructure, or pumping mains | The Midvaal has commissioned several new reservoirs in recent years including the Vaal Marina and Graceview reservoirs | Shortages exist that will need to be addressed. The challenge however is the need to improve service delivery through the upgrading of the multiple aspects of the entire water supply network, not only reservoirs |
| | | |
| Schools (Primary and High): | | |
| Schools also include specialist schooling facilities such as Early Childhood development centres, schools and youth development centres | As with clinics a direct correlation exist between the proclamation status of the settlement and its accessibility to educational facilities. | The provision of ECD facilities in informal settlements, as with schools is hampered by the regulatory requirements pertaining to township establishment. It is the anticipation that these services would be delivered as and when the formalization is addressed and issues pertaining to land management are resolved. |
| | | |
| Sports Fields: | | |
| recreational facilities. It is mostly the newer settlements and more remote communities that has the biggest demand for these facilities, as most of the existing facilities are located in the bigger towns and nodes. | Recreational facilities play an integral part in building vibrant healthy communities. It creates a healthy platform for communities to interact and build new relationships and children to develop physical and inter-personal skills, linked to sound values. | The lack in the development and maintenance, of new sport and recreational facilities, is as much a product of budgetary constraints as that is of inefficient community initiative. This is exaggerated by the lack of access to suitable land. |
| | | T Q |

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

| Declaration of Loans and Grants made by the municipality: Year 2016/17 | | | | |
|---|-------------------|--------------------------------|-------------------------|---|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value Year 15/16 R' 000 | Total Amount committed over previous and future years |
| None | | | | n/a |
| | | | | |
| | | | | |
| <i>* Loans/Grants - whether in cash or in kind</i> | | | | <i>T R</i> |

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

| National and Provincial Outcomes for Local Government | | |
|--|---|-------------------------------|
| Outcome/Output | Progress to date | Number or Percentage Achieved |
| Output: Improving access to basic services | Ongoing projects to upgrade gravel roads to paved / tar roads. Upgrading of Bulk outfall sewers. Planning and design of the expansion of the waste water treatment works and bulk water supply. All of these projects will improve in the long run. | Unknown |
| Output: Implementation of the Community Work Programme | The project has been implemented in Midvaal Local Municipality in Wards 1,4,5,6, 7,8,9,10,11,12,13 and 15.The programme has created a total of 866 jobs within Midvaal LM of which 17 people with Disability and 656 youth formed part of the programme. | 100% |
| Output: Deepen democracy through a refined Ward Committee model | Note: The complete information is reflected in Chapter 2 par 2.4. The essence is that ward committees have been established in all 14 wards and all such committees are functional. | |
| Output: Administrative and financial capability | The Council is fully operational and is chaired by a full-time Speaker. It has an independent Audit Committee. A Municipal Public Accounts Committee (MPAC) has been established and is chaired by a member of the official opposition party in Council to enhance the credibility of the oversight function. The Executive Mayor is assisted by five full-time members of the Mayoral Committee. The administration is headed by the Municipal Manager and seven Heads of Department. There are no vacancies in these key designations, other than one vacancy in the membership of the Audit and Performance Committee. This single vacancy is currently in the process of being filled. There are no pending suspensions or disciplinary process against any executive member. There is 100% compliance in respect of the MFMA requirements relating to Section 52 (d) reports, Mid-year Section 72 reports, Monthly Section 71 reports and quarterly performance reports. | |
| * Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information. | | |
| | | T S |

APPENDIX T – SECTION 46 – ANNUAL PERFORMANCE REPORT

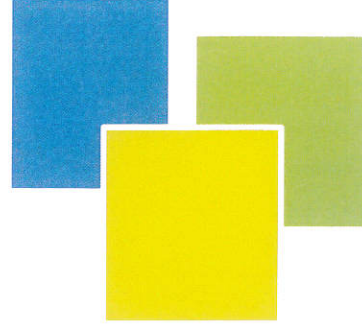
SECTION 46 – ANNUAL PERFORMANCE REPORT

Appendix T

PERFORMANCE REPORT

Section 46 - MSA

2016/2017



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1. Legislative requirement to compile the Section 46 Annual Performance Report

The Municipal Systems Act, Act 32 of 2000, in terms of Section 46 requires Council to comply with the provisions of the said legislation, to annually prepare a Performance Report.

The format and structure of the report is determined according to the said section.

The said section reads as follows:

“Section 46 – Annual performance reports

- (1) A municipality must prepare for each financial year a performance report reflecting –***
 - (a) the performance of the municipality and of each external Service provider during that financial year;***
 - (b) a comparison of the performances referred to in paragraph(a) with targets set for and performances in the previous Financial year; and***
 - (c) measures taken to improve performance.***
- (2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”***

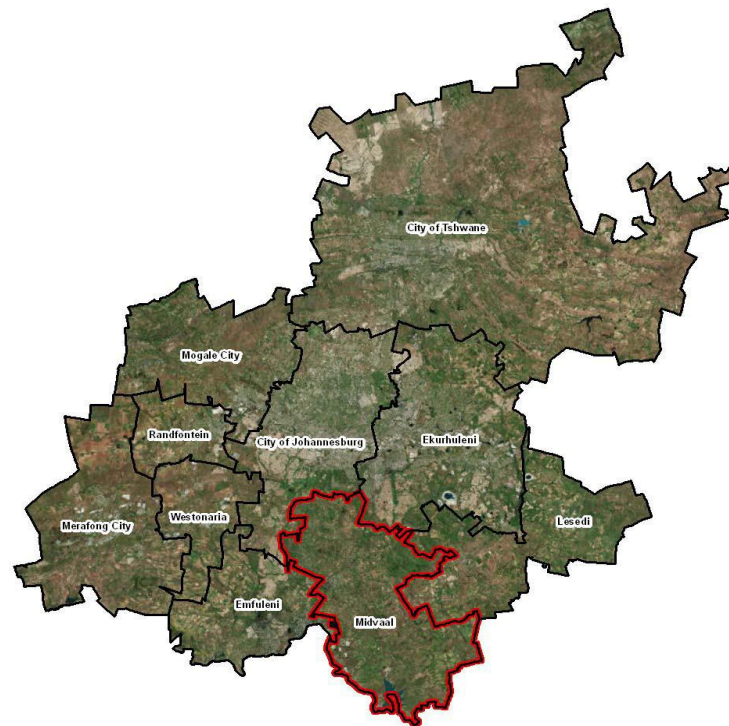
2. Council's Geographical Location, Area Overview and Population

The Midvaal Local Municipality (GT422), covering approximately 1722 km², is one of three local municipalities situated within the Sedibeng District Municipality, the other two being the Emfuleni Local Municipality (GT421), approximately 966 km² in extent and the Lesedi Local Municipality (GT423), approximately 1484 km² in extent.

The Midvaal Local Municipality is a Category B-municipality as defined in the Municipal Structures Act, Act 117 of 1998 (Chapter 1).

Midvaal is located in the Southern parts of the Gauteng Province and is bordered by two provinces, namely Mpumalanga Province to the East and the Free State Province to the South.

The Dipsaliseng Local Municipality (MP306) is located to the East of Midvaal and the Metsimaholo Local Municipality (FS204) is situated to the South. The City of Johannesburg and Ekurhuleni Metropolitan Municipality are situated to the North.



3. The Municipal Fact Sheet (Statistics)

| DESCRIPTION | EMFULENI | LESEDI | MIDVAAL |
|--|----------|--------|---------------|
| Geographical size (sq km) | 966 | 1 484 | 1 722 |
| Number of people | 721 663 | 99 520 | 95 301 |
| Population growth (% per annum 2001 – 2011) | 0,92% | 3.26% | 3.94% |
| Number of Households | 220 135 | 29 668 | 29 852 |
| Population density (people per sq km) | 747.1 | 67.1 | 55.3 |
| Number of Wards | 45 | 13 | 14 |
| Number of Councillors | 90 | 26 | 27 |
| % Of households with formal housing | 81% | 83.3% | 76.4% |
| % Of households with hygienic toilets | 91.2% | 90.1% | 84.1% |
| % Of households with piped water at or above RDP level | 96.3% | 88.9% | 75.8% |
| % Of households with electricity connections | 92.2% | 89.9% | 79.3% |
| % Of households with formal refuse removal | 90.7% | 86.3% | 83.1% |
| Number of households in informal settlements | 12 974 | 2 021 | 3 766 |
| Unemployment rate (broad definition %) | 34.7% | 25.9% | 18.8% |
| Unemployment rate (narrow definition %) | 14.9% | 11.1% | 9% |
| % Of people employed in the formal sector | 79.2% | 74.8% | 73.20% |
| % Of people employed in the informal sector | 9.6% | 11.1% | 10.11% |
| % Of people employed in private households | 11.3% | 14.2% | 16.68% |
| Dependency Ratio (per 100 (15 – 64) | 43.8 | 45.8 | 41.9 |

Source: StatsSA 2011 Population Census

The above table clearly indicates the impact of low population density on service delivery. The lower net density in Midvaal has a significant impact in the capital cost of infrastructure delivery and the operational expenses associated with infrastructure delivery. This trend supports the founding principles of the Midvaal Local Municipal Spatial Development Framework, whereby development should be contained within the defined urban development boundary.

The statistics contained in the above municipal fact sheet are based on the 2011 population census dated. It is therefore of value to indicate the statistics as at 30 Jun 2017, according to the statistics reported by Stats SA. The change in the statistics will be noticed and during the review of the Integrated Development Plan (IDP) it will be advised to update accordingly:

| IMPORTANT NOTES | | NUMBER OF HOUSEHOLDS | % |
|--|--|----------------------|---------------|
| The statistics according to StatsSA dated 19 Jul 2017 are as follows. The figures are based on 29 964 households: | | 29 964 | |
| 1. Water | | | 90.9% |
| 1.1 | Piped (tap) water inside dwelling/institution | 19 461 | 64.9% |
| 1.2 | Piped (tap) water inside yard | 5 376 | |
| 1.3 | Pipe (tap) water on community stand: distance less than 200 m from dwelling/institution | 2 394 | |
| 1.4 | Piped (tap) water on community stand: distance between 200 m and 500 m from dwelling/institution | 1 005 | |
| 1.5 | Piped (tap) water on community stand: distance between 500 m and 1000 m (1 km) from dwelling/institution | 297 | |
| 1.6 | Piped (tap) water on community stand: distance greater than 1000 m (1 km) from dwelling/institution | 165 | |
| 1.7 | No access to piped (tap) water | 1 266 | |
| | Piped (tap) water inside dwelling/institution & piped (tap) water inside yard | 24 837 | 82.9% |
| | Piped (tap) water inside dwelling/institution & piped (tap) water inside yard & Piped (tap) water on community stand: distance less than 200 m from dwelling/institution | 27 231 | 90.9% |
| 2. Toilet Facilities | | | 77.93% |
| 2.1 | None | 606 | |
| 2.2 | Flush toilet (connected to sewerage system) | 17 370 | |
| 2.3 | Flush toilet (with septic tank) | 5 505 | |
| 2.4 | Chemical toilet | 1 842 | |
| 2.5 | Pit toilet with ventilation (VIP) | 477 | |
| 2.6 | Bucket toilet | 645 | |
| 2.7 | Other | 420 | |
| | Flush toilet (connected to sewerage system) | | 57.93% |

| IMPORTANT NOTES | NUMBER OF HOUSEHOLDS | % |
|---|----------------------|---------------|
| Flush toilet (connected to sewerage system) & Flush toilet (with septic tank) | | 76.34% |
| Flush toilet (connected to sewerage system) & Flush toilet (with septic tank) & Pit toilet with ventilation (VIP) | | 77.93% |
| 3. Energy or fuel for lighting | | 79.33% |
| 3.1 Electricity | 23 769 | |
| 3.2 Gas | 111 | |
| 3.3 Paraffin | 1 284 | |
| 3.4 Candles | 4 581 | |
| 3.5 Solar | 84 | |
| 3.6 None | 135 | |
| 4. Refuse Disposal | | 83.08% |
| 4.1 Removed by local authority/private company at least once a week | 24 594 | |
| 4.2 Removed by local authority/private company less often | 300 | |
| 4.3 Communal refuse dump | 579 | |
| 4.4 Own refuse dump | 3 177 | |
| 4.5 No rubbish disposal | 948 | |
| 4.6 Other | 363 | |
| Removed by local authority/private company at least once a week | | 82.08% |
| Removed by local authority/private company at least once a week & removed by local authority/private company less often | | 83.08% |

4. Council's Vision

The Midvaal Local Municipality will execute its **Vision** through the following:

Midvaal will be renowned for robust economic growth and a high quality of life for all

Mission



Reducing poverty through growth and jobs



Ensuring clean and transparent government



Ensuring efficient and effective government



Planning and regulating for growth



Building and maintaining infrastructure



Making government accessible



Building strategic partnerships



Using recourse sustainability



Building human settlements



Fighting crime



Delivering services for all

5. Council's Corporate Values

A customer-centric approach shapes the values of the Midvaal Local Municipality. This defines the character of the municipality and provides the foundation on which leadership and employees behave and conduct decisions. Midvaal Local Municipality is guided by the following six (6) values, which reflect the core principles of this organisation:



Transparency



Accountability



Excellence



Accessibility



Responsiveness



Integrity

6. Council's 5 political guidelines are guided by the following pillars:

1. Open Opportunity Society:

A society in which *every person is free, secure and equal*, where everyone has the opportunity to improve the quality of his life and pursue her dreams, and in which every language and culture has equal respect and recognition

2. Reconciliation:

Enabling South Africans *to come to terms with their past* on a morally accepted basis by all groups and bringing them together on their shared future

3. Redress:

Addressing the imbalances of the past that have resulted in economic and spatial inequality, in a sustainable manner that ensures that all benefit

4. Delivery:

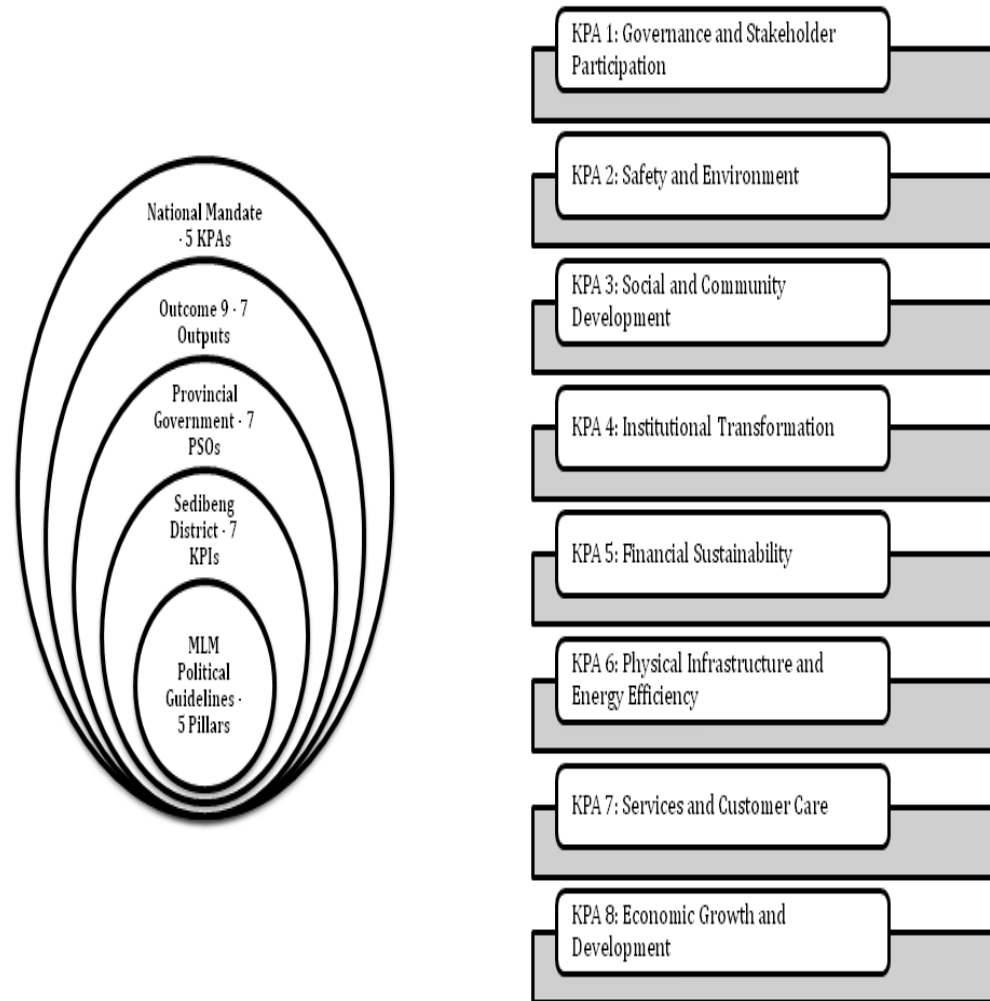
Ensuring *that everyone has equal access to basic services* and resources under the mandate of government and the constitution

5. Diversity:

We celebrate and showcase the diversity of the party as a mirror of the diversity in broader South African Society

7. Key Performance Areas (KPA)s

Midvaal Local Municipality (MLM) identified and adopted 8 KPAs, aligned with the National Mandate, Outcome 9, the Provincial Strategic Objectives and the Sedibeng District Municipality, to give effect to the implementation of the Integrated Development Plan (IDP):



The identified KPAs are defined in the following table:

| | |
|--|---|
| KPA 1: Governance and Stakeholder Participation | To promote proper governance and public participation |
| KPA 2: Safety and Environment | To contribute to the safety of communities in Midvaal through the proactive identification, prevention, mitigation and management of environmental health, fire and disaster risks |
| KPA 3: Social and Community Development | To assist with and facilitate the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled |
| KPA 4: Institutional Transformation | To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services |
| KPA 5: Financial Sustainability | To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements |
| KPA 6: Physical Infrastructure and Energy Efficiency | To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal |
| KPA 7: Services and Customer Care | To improve our public relations thereby pledging that our customers are serviced with dignity and care |
| KPA 8: Economic Growth and Development | To facilitate sustainable economic empowerment for all communities within Midvaal and enable a viable and conducive economic environment through the development of related initiatives including job creation and skills development |

8. Key Focus Areas (KFAs)

The KPAs are supported by the following KFAs, aligned with National, Provincial and Sedibeng's KPAs:

| | |
|---|---|
| KPA 1: Governance and Stakeholder Participation | KFA 1: Governance Structures KFA 2: Stakeholder Participation KFA 3: Inter-Governmental Relations (IGR) KFA 4: Communications (Internal and External) |
| KPA 2: Safety and Environment | KFA 5: Safety & Security KFA 6: Environmental Management KFA 7: Disaster Management KFA 8: Emergency Services KFA 9: Law Enforcement |
| KPA 3: Social and Community Development | KFA 10: Sustainable Human Settlements KFA 11: Sport and Recreation Programmes and facilities, including Parks and open space KFA 12: Libraries KFA 13: Cemeteries KFA 14: Arts, Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including ECD) |
| KPA 4: Institutional Transformation | KFA 15: Human Capital & Skills Development KFA 16: Performance Management KFA 17: Systems and Technology KFA 18: Policies, Processes and Procedures |
| KPA 5: Financial Sustainability | KFA 19: Financial Management KFA 20: Revenue Management KFA 21: Supply Chain Management KFA 22: Asset Management, including Fleet Asset Management |
| KPA 6: Physical Infrastructure and Energy Efficiency | KFA 23: Electricity & Energy Efficiency KFA 24: Roads and Storm Water Infrastructure KFA 25: Water and Sanitation Infrastructure KFA 26: Landfill Sites and Transfer Stations KFA 27: Municipal and public facilities, including sport & recreation |
| KPA 7: Services and Customer Care | KFA 28: Water and Sanitation KFA 29: Electricity KFA 30: Cleansing and Waste Management KFA 31: Customer Relations |
| KPA 8: Economic Growth and Development | KFA 32: Local Economic Development (LED) KFA 33: Spatial and Development Planning |

9. Approved Organisational Scorecard

Introduction

Integrated Development Planning and Performance Management were introduced to realise the developmental role of local government. Whilst the Integrated Development Plan (IDP) provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to:

- regularly plan;
- continuously monitor;
- periodically measure; and
- review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

The Performance Management System (PMS) entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organized and managed, including determining the different role players. It also forms the basis for aligning the IDP with the operational Service Delivery & Budget Implementation Plans (SDBIPs), performance areas and performance indicators of the various departments of the MLM.

Legislative and Policy Framework

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the Municipal Systems Act of 2000, MLM must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels.

The Performance Management Policy also clarifies roles and responsibilities of stakeholders and relevant role-players:

| TASK | STAKEHOLDERS / ROLEPLAYERS | ROLES & RESPONSIBILITIES |
|---|----------------------------------|--|
| Developing and sanctioning the performance management process | Mayoral Committee | Ratify and adopt the PMS Policy |
| Developing measures/indicators | Officials | Provide the IDP documentation and (when appropriate) the PMS documentation of the previous reporting period |
| | | Provide inputs into the process with reference to the available resources within their respective departments |
| | | Document the measures/indicators |
| | | Provide the schedule of measures/indicators to relevant stakeholders |
| | Councillors | Provide inputs into the process with reference to the needs and requirements of their constituents and the communities |
| | | Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations |
| | Local Community and Stakeholders | Provide inputs into the process with reference to their specific needs and requirements |
| Setting Targets | Officials | Provide inputs into the process with reference to the available resources within their respective departments |
| | | Document the targets |
| | | Provide and publicise the schedule of targets to the relevant stakeholders |
| | Councillors | Provide inputs into the process with reference to the needs and requirements of their constituents and the communities |
| | | Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations |
| | Local Community and Stakeholders | Provide inputs into the process with reference to their specific needs and requirements |
| Linking measures/indicators and targets to performance commitments of staff | Municipal Manager | Prepare performance agreements with agreed and approved measures/indicators and targets |
| | | Ensure that the measures/indicators and targets in the performance agreements of senior managers are linked with his/her agreement |

| | | |
|--|--|---|
| | | Ensure that all senior managers performance agreements are published |
| | | Provide inputs into senior managers performance agreements |
| | | Ensure that the measures/indicators and targets of the departments and sub-ordinates are linked with the senior managers agreements |
| | Mayoral Committee | Ratify and adopt the performance agreements |
| Monitoring and Evaluation | Executive Mayor | Monitor and evaluate (according to agreed schedule) the measures/indicators and targets of the Municipal Manager |
| | Municipal Manager | Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers |
| | | Ensure that the results are documented and publicised to the relevant stakeholders |
| Information collection, processing and analysis | Councillors | Provide inputs into the process with reference to the needs and requirements of their constituents and the communities |
| | | Ensure with the council officials that all information is made available |
| | | Examine, scrutinise and critically analyse measures/indicators, targets, outputs and outcomes |
| | Officials | Collect, process and provide the relevant and appropriate information from their respective departments |
| | Local community and Stakeholders | Provide inputs into the process with reference to their specific needs and requirements |
| Auditing of information | Performance Management Manager | Collect and process relevant and appropriate information from departments |
| | | Examine, scrutinise and critically analyse information from departments |
| | Performance & Audit Committee | Examine, scrutinise and critically analyse information from departments |
| | Auditor-General | Collect and process the relevant and appropriate information from the Municipality |
| | | Examine, scrutinize and critically analyse information from the Municipality |
| Audit Reporting | Internal Auditor | Provide an independent audit report to the Audit Committee |
| | Performance & Audit Committee | Provide an independent audit report to the Municipal Manager and Mayoral Committee |
| Reporting | Municipal Manager | Provide approved, relevant and appropriate information and reports to National- and Provincial Government, and the Auditor-General |
| Report to Community | Municipal Manager | Ensure that the results are documented and publicised to the relevant stakeholders |

| | | |
|---|---|--|
| Review of performance management and setting of new measures/indicators and target | Officials | Provide inputs into the process with reference to the available resources within their respective departments |
| | | Document the measures/indicators and targets |
| | | Provide and publicise the schedule of revised measures/indicators and targets to relevant stakeholders |
| | Councillors | Provide inputs into the process with reference to the needs and requirements of their constituents and the communities |
| | | Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations in the light of the revised measures/indicators and targets |
| | Local community and Stakeholders | Provide inputs into the process with reference to their specific needs and requirements in the light of the revised measures/indicators and targets |

Section 34 of the MSA furthermore points out that the IDP has to be reviewed on an annual basis. During the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed. This review will form the basis for the review of the municipal PMS and Performance Agreements of Senior Managers.

Chapter 6 of the Municipal Systems Act (2000) as amended provides briefly that a municipality must:

1. Develop a performance management system (PMS);
2. Promote a performance culture;
3. Administer its affairs in an economical, effective, efficient and accountable manner;
4. Set Key Performance Indicators (KPIs) as a yardstick for measuring performance;
5. Set targets to monitor and review the performance of the municipality based on indicators linked to their IDP;
6. Monitor and review performance at least once per year;
7. Take steps to improve performance;
8. Report on performance to relevant stakeholders;
9. Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the Municipal Finance Management Act of 2003;
10. Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the National Minister of Provincial and Local Government;
11. Conduct an internal audit of all performance measures/indicators on a continuous basis;
12. Have their annual performance report audited by the Auditor-General; and
13. Involve the community in setting indicators and targets and in reviewing municipal performance.

Sections 55 to 58 of the Municipal Systems Act, further outline the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.

The Municipal Planning and Performance Management Regulations of 2001

In summary, the Regulations provide that a municipality's Performance Management System must:

1. Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
2. Comply with the requirements of the Municipal Systems Act; and
3. Relate to the municipality's employee performance management processes and be linked to the municipality's IDP.

A municipality must:

1. Set key performance indicators (KPIs) including input, output and outcome indicators in consultation with communities;
2. Annually review its Key Performance Indicators;
3. Set performance targets for each financial year;
4. Measure and report on the relevant nationally prescribed key performance outcomes;
5. Measure and report on the six national local government KPAs;
6. Report on performance to Council at least twice a year;
7. As part of its internal audit process audit the results of performance measurement;
8. Appoint a performance audit committee; and
9. Provide secretarial support to the said audit committee.

The Municipal Finance Management Act, Act 56 of 2003 (MFMA)

The Municipal Finance Management Act also contains various important provisions relating to performance management. In terms of the Act all municipalities must:

1. Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators;

2. When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget;
3. Empower the Executive Mayor or Executive Committee to approve the Service Delivery and Budget Implementation Plan and the Performance Agreements of the Municipal Manager and the Managers directly accountable to the Municipal Manager; and
4. Compile an annual report, which must, amongst others things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

The Municipal Systems Act and the Municipal Finance Management Act require that the PMS be reviewed annually in order to align itself with the reviewed Integrated Development Plan (IDP). In consequence of the reviewed organisational performance management system, it then becomes necessary to also amend the scorecards of the Municipal Manager and Section 56 Managers in line with the cascading effect of performance management from the organizational to the departmental and eventually to employee levels.

The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006

This legislation regulates the management of the Section 56-employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development, empowerment, measures/indicators and performance evaluation processes. These regulations further provide criteria for performance assessment and the 5-point rating upon which performance of an individual needs to be scored during the assessment and evaluation.

The Municipal Scorecard was approved by Council at its meeting held on 26 May 2016 per item C1472/05/2016, in line with the relevant legislation for implementation. The Annual Performance Agreements were signed before 30 Jun 2016 by all Section 56-appointees. Quarterly performance assessments were conducted, and where required, appropriate corrective and/or remedial actions were implemented. The Section 52(d)-quarterly performance reports were submitted to Council and ultimately to the MEC of Gauteng Province.

The mid-year performance report was approved by Council per item C1576/01/2017 dated 26 January 2017. This report deals with both the financial results as well as the performance results. Section 72 indicates that the following information must be provided, as part of the mid-year performance report:

1. The monthly statements referred to in Section 71 for the first half of the financial year;
2. The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;
3. The past year's annual report, and progress on resolving problems identified in the annual report; and
4. The performance of every municipal entity under the municipality's control (of which this municipality has none).

This report is submitted in terms of the above-mentioned legislative requirements. In addition, a separate report dealing with the annual report of the 2016/2017-financial year, containing comments on how the issues identified by the Auditor-General, are being addressed.

Subsequent to the submission of the Section 72-mid-year performance report to Council, Gauteng Provincial Treasury conducted a 2017-mid-year budget and performance assessment visit on 8 February 2017 to Council. The purpose of this visit was to give effect to the constitutional monitoring and oversight responsibilities of Provincial Treasury. The strategic engagement was aimed at strengthening quality and oversight of municipal budgeting and performance.

No area of concern was identified during the assessment.

After the consideration of the mid-year performance and financial report *the reviewed Municipal Scorecard* was approved with specific quarterly targets, based on the SMART-principles.

The SMART principles for the determination of KPIs and targets are as follows:

| | | |
|----------|------------------------------|---|
| S | Specific | Targets must be well-defined and focused |
| M | Measurable | Targets must have a measurable outcome |
| A | Achievable/Attainable | Targets must be within reach |
| R | Realistic/Relevant | Targets must be based on the current conditions and realities |
| T | Time-framed | Targets and objectives must be tied to a time frame |

A total of 57 Key Performance Indicators were approved for the 2016/2017-financial year, including the National Key Performance Indicators.

The targets for 5 indicators were not fully achieved, thus a total of 52 key performance indicators were achieved.

An overall annual performance of 91.22% was achieved.

10. Overall Organisational Performance – 2016/2017-Financial Year

This report considers MLM performance derived from the IDP objectives, translated into the departmental SDBIPs for the year as at 30 Jun 2017. A basic set of key comparatives for year-to-date is offered to allow for easy comparisons on achievements against SDBIPs.

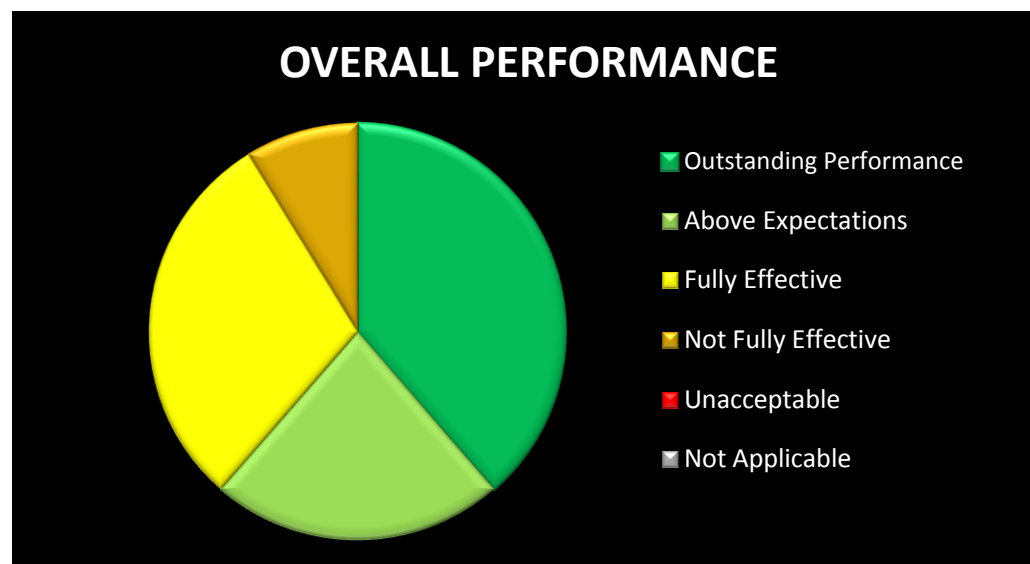
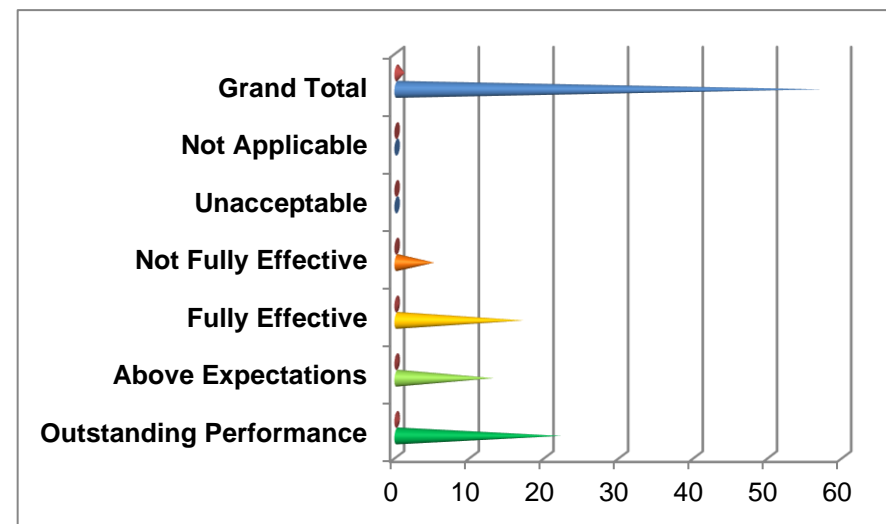
The purpose is to demonstrate, in terms of service delivery, what is being achieved and what remains outstanding.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP, is illustrated in terms of the following assessment methodology:

| ASSESSMENT CRITERIA | RATING | EXPLANATION |
|---------------------------------|--------|---|
| Outstanding Performance | 5 | Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year. |
| Above Expectations | 4 | Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year. |
| Fully Effective | 3 | Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan. |
| Not Fully Effective | 2 | Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan. |
| Unacceptable Performance | 1 | Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |

The overall organisational performance assessment outcome for the 2016/2017-financial year is reported as follows. The Key Performance Indicators were assessed according to the assessment criteria explained on Page 20:

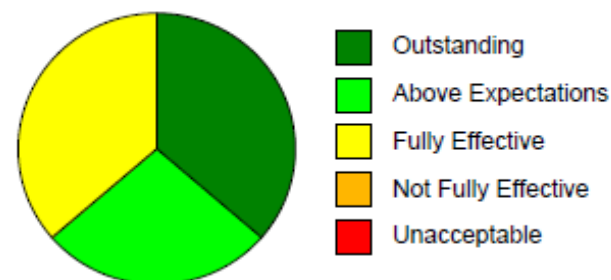
| CRITERIA | NUMBER OF KPIs | % |
|-------------------------|----------------|-------------|
| Outstanding Performance | 21 | 36.8% |
| Above Expectations | 12 | 21.1% |
| Fully Effective | 20 | 35.1% |
| Not Fully Effective | 4 | 7.0% |
| Unacceptable | 0 | 0 |
| Not Applicable | 0 | 0 |
| Grand Total | 57 | 100% |



The individual performance per department constituted the overall performance of Council. The performance per department, assessed according to the same evaluation criteria, is reflected in the following graphs. The summary on the left represents the % achievements:

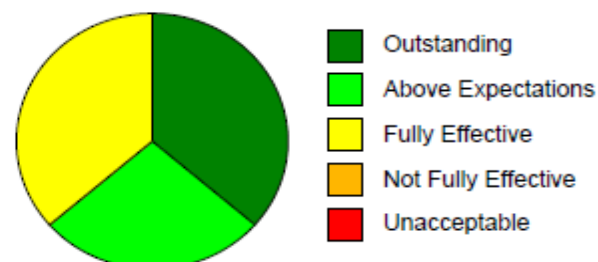
Corporate Services (Cluster)

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 36.4% |
| Above Expectations: | 3 | 27.3% |
| Fully Effective: | 4 | 36.4% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



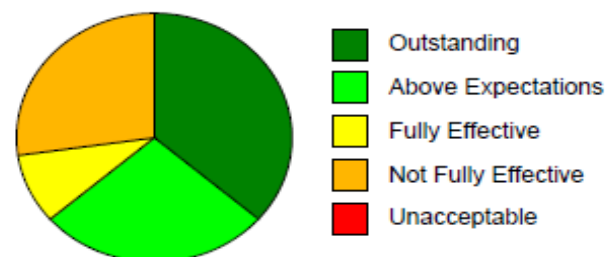
Financial Services

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 36.4% |
| Above Expectations: | 3 | 27.3% |
| Fully Effective: | 4 | 36.4% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



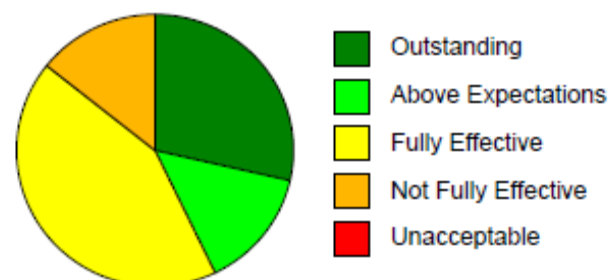
Engineering Services

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 36.4% |
| Above Expectations: | 3 | 27.3% |
| Fully Effective: | 1 | 9.1% |
| Not Fully Effective: | 3 | 27.3% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



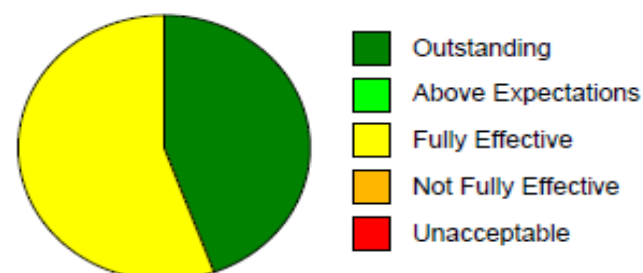
Development Planning & Housing

| | | |
|----------------------|---|-------|
| Outstanding: | 2 | 28.6% |
| Above Expectations: | 1 | 14.3% |
| Fully Effective: | 3 | 42.9% |
| Not Fully Effective: | 1 | 14.3% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



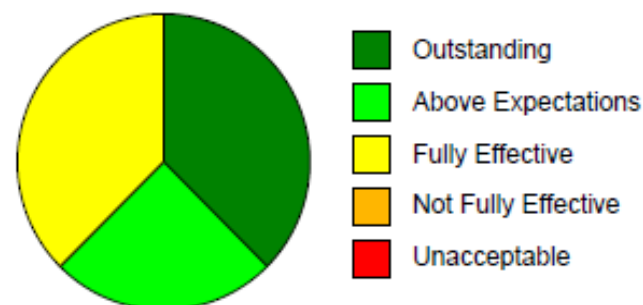
Community Services

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 44.4% |
| Above Expectations: | 0 | 0.0% |
| Fully Effective: | 5 | 55.6% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



Public Safety

| | | |
|----------------------|---|-------|
| Outstanding: | 3 | 37.5% |
| Above Expectations: | 2 | 25.0% |
| Fully Effective: | 3 | 37.5% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



12. Performance per KPA

| | |
|--|---|
| KPA 1 Governance and Stakeholder Participation | KFA 1: Governance Structures KFA 2: Stakeholder Participation KFA 3: Inter-Governmental Relations (IGR) KFA 4: Communications (Internal and External) |
| KPA 2 Safety and Environment | KFA 5: Safety & Security KFA 6: Environmental Management KFA 7: Disaster Management KFA 8: Emergency Services KFA 9: Law Enforcement |
| KPA 3 Social and Community Development | KFA 10: Sustainable Human Settlements KFA 11: Sport and Recreation Programmes and facilities, including Parks and open space KFA 12: Libraries KFA 13: Cemeteries KFA 14: Arts, Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including ECD) |
| KPA 4 Institutional Transformation | KFA 15: Human Capital & Skills Development KFA 16: Performance Management KFA 17: Systems and Technology KFA 18: Policies, Processes and Procedures |
| KPA 5 Financial Sustainability | KFA 19: Financial Management KFA 20: Revenue Management KFA 21: Supply Chain Management KFA 22: Asset Management, including Fleet Asset Management |
| KPA 6 Physical Infrastructure and Energy Efficiency | KFA 23: Electricity & Energy Efficiency KFA 24: Roads and Storm Water Infrastructure KFA 25: Water and Sanitation Infrastructure KFA 26: Landfill Sites and Transfer Stations KFA 27: Municipal and public facilities, including sport & recreation |
| KPA 7 Services and Customer Care | KFA 28: Water and Sanitation KFA 29: Electricity KFA 30: Cleansing and Waste Management KFA 31: Customer Relations |
| KPA 8 Economic Growth and Development | KFA 32: Local Economic Development (LED) KFA 33: Spatial and Development Planning |

KPA 1

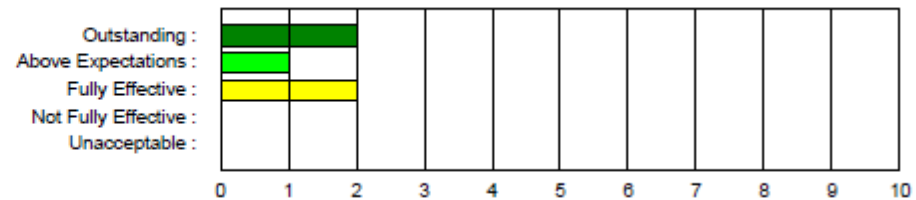
GOVERNANCE & STAKEHOLDER PARTICIPATION

To promote proper governance and public participation

- KFA 1: Governance Structures
- KFA 2: Stakeholder Participation
- KFA 3: Inter-Governmental Relations (IGR)
- KFA 4: Communications (Internal and External)

KPA 1: Governance and Stakeholder Participation

| | | |
|----------------------|---|-------|
| Outstanding: | 2 | 40.0% |
| Above Expectations: | 1 | 20.0% |
| Fully Effective: | 2 | 40.0% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 1, linked to the relevant KFA, were approved as follows:











| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|--|--|---|--|----------------------------------|-------------|
| 1 | KPI 003 | CORP | KFA 04: Communications (Internal and External) | To improve internal & external communication | Percentage compliance to Section 75 (MFMA) requirements in terms of the Website updating quarterly | Website updating = Monthly % compliance to checklist signed-off by Deputy Municipal Manager within 5 working days, at most, after end of the quarter | 100% | 30-Jun-17 |
| 2 | KPI 005 | CORP | KFA 03: Inter-Governmental Relations (IGR) | To improve intern-governmental relations | Number of Mayoral Committee reports on formalised IGR (Inter-governmental Relations) Fora meetings attended | Mayoral Committee report to reflect (1) Type of meeting (2) Department (3) Delegate | 4 | 30-Jun-17 |
| 3 | KPI 012 | CORP | KFA 01: Governance Structures | To promote sound and sustainable governance | Number of Ordinary Council meetings held annually | Baseline: Approved annual year planner | 4 | 30-Jun-17 |
| 4 | KPI 028 | CORP | KFA 02: Stakeholder Participation | To increase active stakeholder participation | Number of Ward Committee meetings arranged annually | Meetings arranged according to Council approved Annual Year Planner | 45 | 30-Jun-17 |
| 5 | KPI 073 | CORP | KFA 02: Stakeholder Participation | To increase active stakeholder participation | Number of external stakeholder events arranged quarterly | Annual Events Plan executed | 3 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|---|--|----------------------------------|-------------|--------------|----------------------------|-------|-----------------------------|
| 1 | KPI 003 | CORP | To improve internal & external communication | Percentage compliance to Section 75 (MFMA) requirements in terms of the Website updating quarterly | Website updating = Monthly % compliance to checklist signed-off by Deputy Municipal Manager within 5 working days, at most, after end of the quarter | 100% | 30-Jun-17 | 100% | 100% | 100% | Above Expectations |
| 2 | KPI 005 | CORP | To improve inter-governmental relations | Number of Mayoral Committee reports on formalised IGR (Inter-governmental Relations) Fora meetings attended | Mayoral Committee report to reflect (1) Type of meeting (2) Department (3) Delegate | 4 | 30-Jun-17 | 1 | 1 | 4 | Fully Effective |
| 3 | KPI 012 | CORP | To promote sound and sustainable governance | Number of Ordinary Council meetings held annually | Baseline: Approved annual year planner | 4 | 30-Jun-17 | 1 | 3 | 9 | Outstanding Performance |
| 4 | KPI 028 | CORP | To increase active stakeholder participation | Number of Ward Committee meetings arranged annually | Meetings arranged according to Council approved Annual Year Planner | 45 | 30-Jun-17 | 0 | 15 | 45 | Fully Effective |
| 5 | KPI 073 | CORP | To increase active stakeholder participation | Number of external stakeholder events arranged quarterly | Annual Events Plan executed | 3 | 30-Jun-17 | 0 | 1 | 6 | Outstanding Performance |

To assist the user of the report the following additional explanatory information, relevant to each indicator, is provided:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS |
|----|---------|------|--|--|---|
| 1 | KPI 003 | CORP | Percentage compliance to Section 75 (MFMA) requirements in terms of the Website updating quarterly | Website updating = Monthly % compliance to checklist signed-off by Deputy Municipal Manager within 5 working days, at most, after end of the quarter | <p>Section 75 of the MFMA determines the information to be placed on Council's website. The prescribed information is listed as follows:</p> <p>Information to be placed on websites of municipalities</p> <p>75. (1) The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality: 10</p> <ul style="list-style-type: none"> (a) The annual and adjustments budgets and all budget-related documents; (b) all budget-related policies; (c) the annual report; 15 (d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act; (e) all service delivery agreements; (f) all long-term borrowing contracts; (g) all supply chain management contracts above a prescribed value; 20 (h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter; (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section; 25 (j) public-private partnership agreements referred to in section 120; (k) all quarterly reports tabled in the council in terms of section 52(d); and (l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed. <p>(2) A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first. 30</p> |
| 2 | KPI 005 | CORP | Number of Mayoral Committee reports on formalised IGR (Inter-governmental Relations) Fora meetings attended | Mayoral Committee report to reflect (1) Type of meeting (2) Department (3) Delegate | <p>Section 10 of the IGR Policy (Inter-governmental Relations Policy), approved per per item C987/10/2013 dated 31 Oct 2013 determines as follows:</p> <p>Section 10: "Each political office bearer and administrative functionary must forward details of the IGR they wish/intend to participate in to the Department of Corporate Services (Committee Section) during Oct of each year or as soon as possible there-after once the schedule of meetings of such forum is known. The purpose of such notification is to obtain approval to attend or endorsement of attendance at all the relevant fora as well as to include the fora in Council's Year Planner.</p> <p>IGR Fora meetings are attended at National, Provincial and district level. An estimate of 86 different fora meetings are attended by various departments and delegates.</p> |

| | | | | | | | | | | | | | | | | | | | | | | | |
|-----------|-----------|---------------------------------|--|---|---|-----------|-----------|----------------------|-----------|-----------|--------------------------|--|-----------|-----------------------------|--|-----------|---------------------------------|-----------|-----------|------------------|-----------|-----------|--------------------|
| 3 | KPI 012 | CORP | Number of Ordinary Council meetings held annually | Baseline: Approved annual year planner | <p>The Local Government: Municipal Structures Act, Act 117 of 1998, per Section 18(1)(2) determines that a municipal council must meet at least quarterly.</p> <p>Council held 9 ordinary meetings for the financial year. The additional meetings assisted to speed-up the resolution process.</p> | | | | | | | | | | | | | | | | | | |
| 4 | KPI 028 | CORP | Number of Ward Committee meetings arranged annually | Meetings arranged according to Council approved Annual Year Planner | <p>Ward Committee meetings were held quarterly in all wards. Progress and attendance are monitored by the Office of the Speaker. Representatives are elected from each ward representing the following sectors within each ward:</p> <div><div></div><div>Health & Welfare;</div><div></div><div>Sports, Recreation, Arts & Culture;</div><div></div><div>Education;</div><div></div><div>Faith Based Organisations;</div><div></div><div>Agriculture, Conservation and Environment;</div><div></div><div>People with Disabilities;</div><div></div><div>Youth Grouping;</div><div></div><div>Business;</div><div></div><div>Community Based Organisation;</div><div></div><div>Community Policing Forum.</div></div> | | | | | | | | | | | | | | | | | | |
| 5 | KPI 073 | CORP | Number of external stakeholder events arranged quarterly | Annual Events Plan executed | <p>The following events were hosted during the financial year. The main objective of the events are to encourage community involvement, upliftment and local economic development:</p> <table><tr><td>Q1</td><td>30-Aug-16</td><td>Mayoral Inauguration</td></tr><tr><td>Q2</td><td>26-Oct-16</td><td>Midvaal Mayoral Golf Day</td></tr><tr><td></td><td>30-Oct-16</td><td>Midvaal 100 Cycle Challenge</td></tr><tr><td></td><td>10-Dec-16</td><td>Country Cookout Proudly Midvaal</td></tr><tr><td>Q3</td><td>21-Mar-17</td><td>Midvaal Fun Walk</td></tr><tr><td>Q4</td><td>12-Apr-17</td><td>Mayoral Soccer Cup</td></tr></table> | Q1 | 30-Aug-16 | Mayoral Inauguration | Q2 | 26-Oct-16 | Midvaal Mayoral Golf Day | | 30-Oct-16 | Midvaal 100 Cycle Challenge | | 10-Dec-16 | Country Cookout Proudly Midvaal | Q3 | 21-Mar-17 | Midvaal Fun Walk | Q4 | 12-Apr-17 | Mayoral Soccer Cup |
| Q1 | 30-Aug-16 | Mayoral Inauguration | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 26-Oct-16 | Midvaal Mayoral Golf Day | | | | | | | | | | | | | | | | | | | | | |
| | 30-Oct-16 | Midvaal 100 Cycle Challenge | | | | | | | | | | | | | | | | | | | | | |
| | 10-Dec-16 | Country Cookout Proudly Midvaal | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 21-Mar-17 | Midvaal Fun Walk | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 12-Apr-17 | Mayoral Soccer Cup | | | | | | | | | | | | | | | | | | | | | |

KPA 2

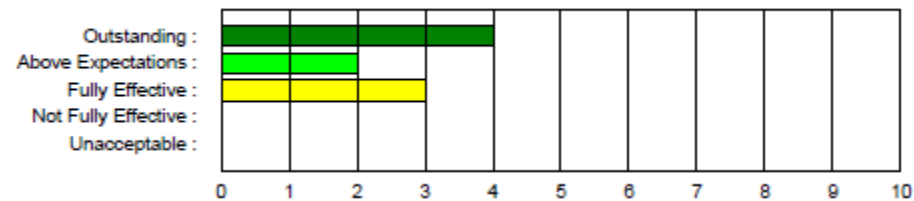
SAFETY & ENVIRONMENT

To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and management of environmental health, fire and disaster risks

- KFA 5: Safety & Security
- KFA 6: Environmental Management
- KFA 7: Disaster Management
- KFA 8: Emergency Services
- KFA 9: Law Enforcement

KPA2: Safety and Environment

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 44.4% |
| Above Expectations: | 2 | 22.2% |
| Fully Effective: | 3 | 33.3% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 2, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|----------------------------------|---|--|---|----------------------------------|-------------|
| 1 | KPI 004 | COMM | KFA 06: Environmental Management | To ensure environmental sustainability | Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly | Actions against 3 identified high risk environmental contraveners, i.e. (1) Inspection, (2) Follow-up audits and (3) Compliance Inspections | 9 | 30-Jun-17 |
| 2 | KPI 006 | PROT | KFA 09: Law Enforcement | To ensure effective and efficient law enforcement | Percentage of traffic fines collected annually | Rand Value of traffic fines collected for the year / Rand Value of traffic fines issued for the year (Section 71-report) | 16% | 30-Jun-17 |
| 3 | KPI 008 | PROT | KFA 05: Safety & Security | To improve the safety of road users | Percentage compliance to turn-around times in terms of complaints received for road traffic signs/markings | Register = Date of Complaint received vs date of completion of actual work within 7 working days | 90% | 30-Jun-17 |
| 4 | KPI 010 | PROT | KFA 05: Safety & Security | To improve the safety of road users | Number of Broader Forum meetings attended in terms of Crime Prevention Intervention | Quarterly - Agenda, Minutes & Attendance Register (Broader Forum Meeting) | 2 | 30-Jun-17 |
| 5 | KPI 013 | PROT | KFA 05: Safety & Security | To improve the safety of road users | Percentage implementation of the Crime Prevention Collaboration Plan | Percentage implementation = Number of activities implemented / Total number of activities planned | 90% | 30-Jun-17 |

| | | | | | | | | |
|---|---------|------|-----------------------------|--|--|---|-----|-----------|
| 6 | KPI 058 | PROT | KFA 07: Disaster Management | To review and implement the Disaster Management Plan | Review the Disaster Management Plan annually | Reviewed Disaster Management Plan approved with IDP for forthcoming year | 1 | 30-Jun-17 |
| 7 | KPI 060 | PROT | KFA 08: Emergency Services | To ensure prompt response by fire services in compliance to service standard | Percentage of emergency services vehicles dispatched within turn-around time quarterly | Call logger report versus Incident Register to reflect turn-around time to be within 3 minutes of receiving call | 90% | 30-Jun-17 |
| 8 | KPI 062 | PROT | KFA 09: Law Enforcement | To ensure effective and efficient law enforcement | Number of reports on formal/informal trading inspections conducted quarterly | Report quarterly to Mayoral Committee = Compliance to Formal/Informal trading inspection plan & Permit Register vs outcome of inspections | 4 | 30-Jun-17 |
| 9 | KPI 064 | PROT | KFA 05: Safety & Security | To improve the safety of road users | Number of joint roadblocks executed with SAPS and/or Provincial Traffic and/or other stakeholders quarterly | Roadblocks at identified locations (Public transport, heavy duty vehicles and overloading) | 24 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|---|--|---|----------------------------------|-------------|--------------|----------------------------|--------|-----------------------------|
| 1 | KPI 004 | COMM | To ensure environmental sustainability | Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly | Actions against 3 identified high risk environmental contraveners, i.e. (1) Inspection, (2) Follow-up audits and (3) Compliance Inspections | 9 | 30-Jun-17 | 3 | 9 | 15 | Outstanding Performance |
| 2 | KPI 006 | PROT | To ensure effective and efficient law enforcement | Percentage of traffic fines collected annually | Rand Value of traffic fines collected for the year / Rand Value of traffic fines issued for the year (Section 71-report) | 16% | 30-Jun-17 | 16% | 16.46% | 16.46% | Fully Effective |
| 3 | KPI 008 | PROT | To improve the safety of road users | Percentage compliance to turn-around times in terms of complaints received for road traffic signs/markings | Register = Date of Complaint received vs date of completion of actual work within 7 working days | 90% | 30-Jun-17 | 90% | 100% | 100% | Outstanding Performance |
| 4 | KPI 010 | PROT | To improve the safety of road users | Number of Broader Forum meetings attended in terms of Crime Prevention Intervention | Quarterly - Agenda, Minutes & Attendance Register (Broader Forum Meeting) | 2 | 30-Jun-17 | 0 | 2 | 7 | Above Expectations |
| 5 | KPI 013 | PROT | To improve the safety of road users | Percentage implementation of the Crime Prevention Collaboration Plan | Percentage implementation = Number of activities implemented / Total number of activities planned | 90% | 30-Jun-17 | 90% | 99.96% | 99.99% | Outstanding Performance |

| | | | | | | | | | | | |
|---|---------|------|--|--|---|-----|-----------|-----|-----|-------|-------------------------|
| 6 | KPI 058 | PROT | To review and implement the Disaster Management Plan | Review the Disaster Management Plan annually | Reviewed Disaster Management Plan approved with IDP for forth-coming year | 1 | 30-Jun-17 | 1 | 1 | 1 | Fully Effective |
| 7 | KPI 060 | PROT | To ensure prompt response by fire services in compliance to service standard | Percentage of emergency services vehicles dispatched within turn-around time quarterly | Call logger report versus Incident Register to reflect turn-around time to be within 3 minutes of receiving call | 90% | 30-Jun-17 | 90% | 99% | 96.2% | Outstanding Performance |
| 8 | KPI 062 | PROT | To ensure effective and efficient law enforcement | Number of reports on formal/informal trading inspections conducted quarterly | Report quarterly to Mayoral Committee = Compliance to Formal/Informal trading inspection plan & Permit Register vs outcome of inspections | 4 | 30-Jun-17 | 1 | 1 | 4 | Fully Effective |
| 9 | KPI 064 | PROT | To improve the safety of road users | Number of joint roadblocks executed with SAPS and/or Provincial Traffic and/or other stakeholders quarterly | Roadblocks at identified locations (Public transport, heavy duty vehicles and overloading) | 24 | 30-Jun-17 | 6 | 6 | 26 | Above Expectations |

Additional explanatory information relevant to each indicator, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS |
|----|---------|------|---|---|--|
| 1 | KPI 004 | COMM | Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly | Actions against 3 identified high risk environmental contraveners, i.e. (1) Inspection, (2) Follow-up audits and (3) Compliance Inspections | <p>Council per item MC B/4465/09/2015 dated 14 Sep 2015 resolved that the Midvaal Environmental Health Section conducts training towards identified high risk industries, which are currently polluting the environment.</p> <p>The proposed actions include the training of Safety Officers situated at the identified industries. The training includes theoretical training, audit inspections after 60 days to determine the effectiveness of the training and also to ensure a sustainable environment.</p> |
| 2 | KPI 006 | PROT | Percentage of traffic fines collected annually | Rand Value of traffic fines collected for the year / Rand Value of traffic fines issued for the year (Section 71-report) | A total of 147 759 infringements were issued |
| 3 | KPI 008 | PROT | Percentage compliance to turn-around times in terms of complaints received for road traffic signs/markings | Register = Date of Complaint received vs date of completion of actual work within 7 working days | Complaints submitted with reference to damaged, missing or faded road traffic signs/markings and/or street names were addressed within an average turn-around time of 2 – 3 days |
| 4 | KPI 010 | PROT | Number of Broader Forum meetings attended in terms of Crime Prevention Intervention | Quarterly - Agenda, Minutes & Attendance Register (Broader Forum Meeting) | Various Broader Forum meetings were attended in terms of Crime Prevention Interventions. |

| | | | | | |
|---|---------|------|--|---|--|
| 5 | KPI 013 | PROT | Percentage implementation of the Crime Prevention Collaboration Plan | Percentage implementation = Number of activities implemented / Total number of activities planned | <p>The escalation in crime statistics required that combatting of crime became the responsibility of everybody. Therefore the Executive Mayor availed an estimated amount of R1 100 000.00 to the stakeholders in combating crime within the Midvaal area.</p> <p>The communication infrastructure and the technical capacity of the CCTV Control Centre was improved. The project included:</p> <ol style="list-style-type: none"> 1. Addition of more repeaters; 2. Increase of base sets and handheld radio's; 3. Additional monitors in the Control Centre; 4. Additional CCTV cameras to cover larger areas. <p>Infrastructure in the following areas was upgraded:</p> <ol style="list-style-type: none"> 1. Meyerton 2. Welverdiend 3. Riversdale 4. Henley on Klip 5. Glen Donald 6. Sicelo 7. Fire Tower / CCTV & Control Room 8. Risiville 9. Mooilande 10. Riverpark 11. Daleside 12. Green Valley 13. Valley Settlements / Pendale 14. Drumblade / Blue Saddle Ranches 15. Walkerville 16. Ohenimuri 17. De Deur 18. Lakeside 19. Bloekomspruit 20. Vaal Marina 21. Mamello |
| 6 | KPI 058 | PROT | Review the Disaster Management Plan annually | Reviewed Disaster Management Plan approved with IDP for forth-coming year | <p>The Municipal Disaster Risk Management Plan serves to confirm the organisational and institutional arrangements, to effectively prevent disasters from occurring and to lessen the impact of those hazards that cannot be avoided. Essentially this Plan serves as the strategic co-ordination and co-operation mechanism between all the relevant Entities / Stakeholders. Therefore the Disaster Risk Management Plan is at the highest hierarchical level.</p> |

| | | | | | |
|---|---------|------|---|---|---|
| | | | | | <p>The hazard/risk specific DRM Plans and the MLM Directorate/ External Entity DRM Plans and their related emergency procedures are to be focussed at the <i>tactical and operational levels</i> and should be considered as being subsidiary to the Midvaal Municipal Disaster Risk Management Plan.</p> <p>Disaster Risk Management is defined as “a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation.”</p> <p>Section 1 of the Disaster Management Act, 57 of 2002, best describes this initiative - “ Disaster Risk Management is Everybody’s Business “</p> <p>The Reviewed Disaster Management Plan was approved per item C1630/05/2017 dated 25 May 2017.</p> |
| 7 | KPI 060 | PROT | Percentage of emergency services vehicles dispatched within turn-around time quarterly | Call logger report versus Incident Register to reflect turn-around time to be within 3 minutes of receiving call | An average of 96.2% was achieved throughout the year |
| 8 | KPI 062 | PROT | Number of reports on formal/informal trading inspections conducted quarterly | Report quarterly to Mayoral Committee = Compliance to Formal/Informal trading inspection plan & Permit Register vs outcome of inspections | <p>The purpose of the by-law enforcement inspections is to enforce the by-laws regulating:</p> <ul style="list-style-type: none"> • Poster management; • Illegal advertisements; • Management of hawker activities (legal/illegal) <p>The following sites were identified as formal trading spots by licensed hawkers:</p> <ul style="list-style-type: none"> • Morris Street • Bell Street • Les Maximes • Pierneef Boulevard • Meyer Street • Springbok Road |
| 9 | KPI 064 | PROT | Number of joint roadblocks executed with SAPS and/or Provincial Traffic and/or other stakeholders quarterly | Roadblocks at identified locations (Public transport, heavy duty vehicles and overloading) | A total of 26 roadblocks were conducted |

The outcome of the 26 roadblocks conducted is reported.

Joint operations were conducted with the SAPS:

- De Deur
- Meyerton
- Vereeniging
- Kliprivier
- Provincial Traffic
- Community Safety

| | |
|---|--------------------------------------|
| Johan le Roux & Morris Road | Loch Street & Ewelme Road |
| R82 - Eikenhof | R59 Highway |
| c/o Brockett & Gardner Str | R82 & Rose Road |
| Apple Orchards (Grassmere Rd) | R557 – Grassmere |
| CBD | R82 & Boundary Road |
| Jim Fouche Road | R550 – Nigel Road |
| R551 | Drunk & Driving |
| R59 Pedestrians | R82 – De Deur / Walkerville |
| R82 - Reckless and Negligent Driving | R59 Highway Pedestrians |
| Meyer Street | K78 (Grassmere Road) |

| FOCUS | Stopped & Screened | Prosecuted | Arrests | % Prosecution |
|---------------------------------------|-------------------------------|-------------------|----------------|----------------------|
| Drivers/Vehicles stopped and screened | 1 821 | 277 | 0 | 15 |
| Heavy Motor Vehicles | 46 | 17 | 0 | 37 |
| Mini-busses | 39 | 14 | 0 | 36 |
| Motorcycles | 3 | 1 | 1 | 33 |
| Taverns Raided | - | - | 2 | - |
| Alcohol Confiscated | - | - | 307 | - |
| Pedestrians | 24 | 0 | 24 | 100 |

KPA 3

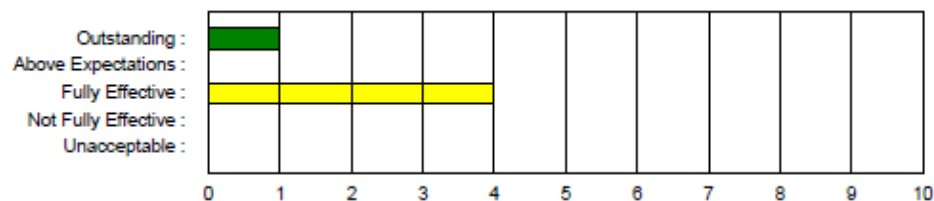
SOCIAL & COMMUNITY DEVELOPMENT

To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled

- KFA 10: Sustainable Human Settlements
- KFA 11: Sport and Recreation Programmes and facilities, including parks and open space
- KFA 12: Libraries
- KFA 13: Cemeteries
- KFA 14: Arts, Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including ECD)

KPA 3: Social and Community Development

| | | |
|----------------------|---|-------|
| Outstanding: | 1 | 20.0% |
| Above Expectations: | 0 | 0.0% |
| Fully Effective: | 4 | 80.0% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 3, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|--------|--|--|--|---|----------------------------------|-------------|
| 1 | KPI 002 | COMM | KFA 13: Cemeteries | To plan and construct cemeteries | Approved Cemeteries Master Plan | Annual review of the Cemeteries Master plan in the 2016/2017 financial year. Q4 = 1 x Council Resolution of the Cemeteries Master Plan | 1 | 30-Jun-17 |
| 2 | KPI 009 | COMM | KFA 14: Libraries, Arts Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including Early Childhood Development (ECD) | To ensure an effective and efficient library service, including the promotion programmes for gender, the elderly, youth and people living with disabilities, including ECD Centres | Number of GEYODI programmes held quarterly | Gender, Elderly, Youth or Disabled Groups (GEYODI) approved programmes | 4 | 30-Jun-17 |
| 3 | KPI 015 | COMM | KFA 14: Libraries, Arts Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including Early Childhood Development (ECD) | To ensure an effective and efficient library service, including the promotion programmes for gender, the elderly, youth and people living with disabilities, including ECD Centres | Number of library outreach programmes conducted quarterly | Programmes conducted at old age homes, schools and ECD's. Attendance confirmed by relevant institution | 36 | 30-Jun-17 |
| 4 | KPI 018 | DP & H | KFA 10: Sustainable Human Settlements | To develop integrated and sustainable human settlements | Number of wards engaged in terms of Draft Human Settlement Plan | Wards 1, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13 plus stakeholders (Dept of Human Settlements and Informal Settlements Network). Minutes and Attendance Registers submitted to Mayoral Committee | 13 | 30-Jun-17 |
| 5 | KPI 066 | COMM | KFA 11: Sport and Recreation Programmes and Facilities, including Parks & Open Space | To promote and develop sport and recreation | Percentage completion of Phase 2 (Fencing & Water reticulation) at Lakeside Sport Centre | Phase 2 of 4 phases = Fencing & Water reticulation completed | 95% | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|---|---|----------------------------------|-------------|--------------|----------------------------|-------|-----------------------------|
| 1 | KPI 002 | COMM | To plan and construct cemeteries | Approved Cemeteries Master Plan | Annual review of the Cemeteries Master plan in the 2016/2017 financial year. Q4 = 1 x Council Resolution of the Cemeteries Master Plan | 1 | 30-Jun-17 | 1 | 1 | 1 | Fully Effective |
| 2 | KPI 009 | COMM | To ensure an effective and efficient library service, including the promotion programmes for gender, the elderly, youth and people living with disabilities, including ECD Centres | Number of GEYODI programmes held quarterly | Gender, Elderly, Youth or Disabled Groups (GEYODI) approved programmes | 4 | 30-Jun-17 | 1 | 1 | 4 | Fully Effective |
| 3 | KPI 015 | COMM | To ensure an effective and efficient library service, including the promotion programmes for gender, the elderly, youth and people living with disabilities, including ECD Centres | Number of library outreach programmes conducted quarterly | Programmes conducted at old age homes, schools and ECD's. Attendance confirmed by relevant institution | 36 | 30-Jun-17 | 3 | 3 | 162 | Outstanding Performance |

| | | | | | | | | | | | |
|---|---------|--------|---|--|---|-----|-----------|-----|-----|-----|-----------------|
| 4 | KPI 018 | DP & H | To develop integrated and sustainable human settlements | Number of wards engaged in terms of Draft Human Settlement Plan | Wards 1, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13 plus stakeholders (Dept of Human Settlements and Informal Settlements Network). Minutes and Attendance Registers submitted to Mayoral Committee | 13 | 30-Jun-17 | 13 | 13 | 14 | Fully Effective |
| 5 | KPI 066 | COMM | To promote and develop sport and recreation | Percentage completion of Phase 2 (Fencing & Water reticulation) at Lakeside Sport Centre | Phase 2 of 4 phases = Fencing & Water reticulation completed | 95% | 30-Jun-17 | 95% | 95% | 95% | Fully Effective |

Additional explanatory information relevant to each indicator, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS | | | | | | | | | | | | | | | |
|----|-------------|--|--|---|--|---|------|-----------|----|-----------|---|----|-----------|--|----|-------------|--|----|-------------|---|
| 1 | KPI 002 | COMM | Approved Cemeteries Master Plan | Annual review of the Cemeteries Master plan in the 2016/2017 financial year. Q4 = 1 x Council Resolution of the Cemeteries Master Plan | To objective of the Cemeteries Master Plan is to provide sufficient funding for the procurement of land, development, administration, operation and maintenance of cemeteries to ensure that sufficient burial space is available and that the cemeteries are maintained and administered in an effective, efficient and economic manner. Future development of Portion 97/364, Chrissiesfontein, 365 I.R., to expand the existing Old Meyerton Location Cemetery and Portion 830 of Erf 94, Chrissiefontein, 365 I.R., to expand the existing Kookrus Cemetery in Meyerton. | | | | | | | | | | | | | | | |
| 2 | KPI 009 | COMM | Number of GEYODI programmes held quarterly | Gender, Elderly, Youth or Disabled Groups (GEYODI) approved programmes | <p>During the financial year the following GEYODI programmes were hosted:</p> <table><thead><tr><th>Q</th><th>Date</th><th>Programme</th></tr></thead><tbody><tr><td>Q1</td><td>02-Sep-16</td><td>Marriage Week Gauteng Province: Social Development NG Welsyn Child Welfare - South Africa Midvaal Local Municipality</td></tr><tr><td>Q2</td><td>29-Nov-16</td><td>16 Days of Activism Campaign on No Violence Against Women & Children Disability Training Workshop – The focus areas were:</td></tr><tr><td>Q3</td><td>17 Mar 2017</td><td><ul style="list-style-type: none">• Minute taking – Roles and Responsibilities• Communication – What is Communication?• Conflict & Conflict Management• Leadership – What is leadership? The programme was presented over a period of 5 days</td></tr><tr><td>Q4</td><td>21 Jun 2017</td><td>Youth Day Celebrations: Anti-Substance abuse and illicit trafficking</td></tr></tbody></table> | Q | Date | Programme | Q1 | 02-Sep-16 | Marriage Week Gauteng Province: Social Development NG Welsyn Child Welfare - South Africa Midvaal Local Municipality | Q2 | 29-Nov-16 | 16 Days of Activism Campaign on No Violence Against Women & Children Disability Training Workshop – The focus areas were: | Q3 | 17 Mar 2017 | <ul style="list-style-type: none">• Minute taking – Roles and Responsibilities• Communication – What is Communication?• Conflict & Conflict Management• Leadership – What is leadership? The programme was presented over a period of 5 days | Q4 | 21 Jun 2017 | Youth Day Celebrations: Anti-Substance abuse and illicit trafficking |
| Q | Date | Programme | | | | | | | | | | | | | | | | | | |
| Q1 | 02-Sep-16 | Marriage Week Gauteng Province: Social Development NG Welsyn Child Welfare - South Africa Midvaal Local Municipality | | | | | | | | | | | | | | | | | | |
| Q2 | 29-Nov-16 | 16 Days of Activism Campaign on No Violence Against Women & Children Disability Training Workshop – The focus areas were: | | | | | | | | | | | | | | | | | | |
| Q3 | 17 Mar 2017 | <ul style="list-style-type: none">• Minute taking – Roles and Responsibilities• Communication – What is Communication?• Conflict & Conflict Management• Leadership – What is leadership? The programme was presented over a period of 5 days | | | | | | | | | | | | | | | | | | |
| Q4 | 21 Jun 2017 | Youth Day Celebrations: Anti-Substance abuse and illicit trafficking | | | | | | | | | | | | | | | | | | |

| | | | | | |
|---|---------|--------|--|---|--|
| 3 | KPI 015 | COMM | Number of library outreach programmes conducted quarterly | Programmes conducted at old age homes, schools and ECD's. Attendance confirmed by relevant institution | Various outreach and awareness programmes were conducted at all the libraries, i.e. <div><div>1 Lakeside Library</div><div>Nali Bali Toy Session</div><div>2 Henley-on-Klip Library</div><div>Art Classes Nali Bali</div><div>3 Sicelo Library</div><div>Story Hour</div><div>4 Meyerton Library</div><div>MS Word Practical Nali Bali</div><div>5 De Deur Library</div><div>Story Hour Library Orientation</div><div>6 Randvaal Library</div><div>Story Hour Library Orientation</div></div> |
| 4 | KPI 018 | DP & H | Number of wards engaged in terms of Draft Human Settlement Plan | Wards 1, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13 plus stakeholders (Dept of Human Settlements and Informal Settlements Network). Minutes and Attendance Registers submitted to Mayoral Committee | Various workshops with ward councillors and ward committee members were conducted. The Human Settlement Plan will be implemented 1 July 2017 and is subjected to annual review over the next 5 years. |
| 5 | KPI 066 | COMM | Percentage completion of Phase 2 (Fencing & Water reticulation) at Lakeside Sport Centre | Phase 2 of 4 phases = Fencing & Water reticulation completed | 95% |

KPA 4

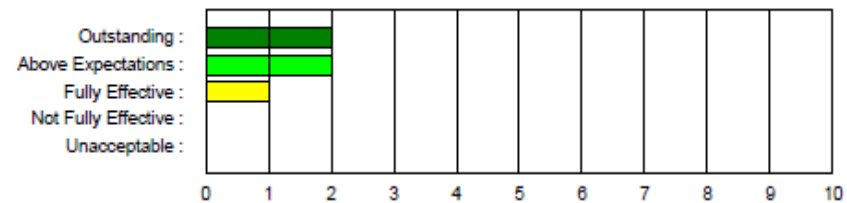
INSTITUTIONAL TRANSFORMATION

To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services

- KFA 15: Human Capital & Skills Development
- KFA 16: Performance Management
- KFA 17: Systems and Technology
- KFA 18: Policies, Processes and Procedures

KPA 4: Institutional Transformation

| | | |
|----------------------|---|-------|
| Outstanding: | 2 | 40.0% |
| Above Expectations: | 2 | 40.0% |
| Fully Effective: | 1 | 20.0% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 4, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|--|--|--|--|----------------------------------|-------------|
| 1 | KPI 021 | CORP | KFA 18: Policies, Processes and Procedures | To review processes and procedures to ensure effective service delivery | Number of average working days legal actions are assessed | Legal & Property Actions Register reflecting turn-around time to be within 10 working days = Date of receipt by Legal Section vs date assessed | 10 | 30-Jun-17 |
| 2 | KPI 022 | CORP | KFA 17: Systems and Technology | Improved ICT Infrastructure as a key enabler to global competitiveness | Percentage uptime on WAN/LAN interruptions quarterly | Baseline = 90 % Uptime per month. Check WAN/LAN daily check register (20 working days) & DUDE Monitoring System | 90% | 30-Jun-17 |
| 3 | KPI 023 | CORP | KFA 16: Performance Management | To develop and implement an effective and efficient performance management system | Number of Section 52(d)-performance reports (SDBIP) submitted to Mayoral Committee quarterly | MFMA Section 52(d)-performance reports submitted quarterly to the Mayoral Committee | 4 | 30-Jun-17 |
| 4 | KPI 056 | CORP | KFA 15: Human Capital & Skills Development | To provide adequate training to staff in order to execute their duties effectively | (NKPI - 6) Percentage of a municipality's budget actually spent on implementing its workplace skills plan | Accumulative percentage of municipal budget allocated for training viz % spent. Section 71-financial report | 90% | 30-Jun-17 |
| 5 | KPI 090 | CORP | KFA 15: Human Capital & Skills Development | To provide adequate training to staff in order to execute their duties effectively | (NKPI - 5) Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Verify number of appointed staff on the 3 highest levels (MM, HOD and directors) as per the municipality's Annual Employment Equity Report | 6 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|---|--|----------------------------------|-------------|--------------|----------------------------|--------|-----------------------------|
| 1 | KPI 021 | CORP | To review processes and procedures to ensure effective service delivery | Number of average working days legal actions are assessed | Legal & Property Actions Register reflecting turn-around time to be within 10 working days = Date of receipt by Legal Section vs date assessed | 10 | 30-Jun-17 | 10 | 2.6 days | 4 | Outstanding Performance |
| 2 | KPI 022 | CORP | Improved ICT Infrastructure as a key enabler to global competitiveness | Percentage uptime on WAN/LAN interruptions quarterly | Baseline = 90 % Uptime per month. Check WAN/LAN daily check register (20 working days) & DUDE Monitoring System | 90% | 30-Jun-17 | 90% | 99.7% | 98.7% | Outstanding Performance |
| 3 | KPI 023 | CORP | To develop and implement an effective and efficient performance management system | Number of Section 52(d)-performance reports (SDBIP) submitted to Mayoral Committee quarterly | MFMA Section 52(d)-performance reports submitted quarterly to the Mayoral Committee | 4 | 30-Jun-17 | 1 | 1 | 4 | Fully Effective |
| 4 | KPI 056 | CORP | To provide adequate training to staff in order to execute their duties effectively | (NKPI - 6) Percentage of a municipality's budget actually spent on implementing its workplace skills plan | Accumulative percentage of municipal budget allocated for training viz % spent. Section 71-financial report. | 90% | 30-Jun-17 | 90 | 91.3% | 93.84% | Above Expectations |

| | | | | | | | | | | | |
|---|---------|------|--|--|--|---|-----------|---|----|----|---------------------------|
| 5 | KPI 090 | CORP | To provide adequate training to staff in order to execute their duties effectively | (NKPI - 5) Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Verify number of appointed staff on the 3 highest levels (MM, HOD and directors) as per the municipality's Annual Employment Equity Report | 6 | 30-Jun-17 | 6 | 10 | 10 | Above Expectations |
|---|---------|------|--|--|--|---|-----------|---|----|----|---------------------------|

Additional explanatory information relevant to each indicator, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS |
|----|---------|------|--|--|--|
| 1 | KPI 021 | CORP | Number of average working days legal actions are assessed | Legal & Property Actions Register reflecting turn-around time to be within 10 working days = Date of receipt by Legal Section vs date assessed | The turn-around time to assess legal and property actions against Council is determined within 10 working days. An average of 2 – 3 days was maintained throughout the financial year. |
| 2 | KPI 022 | CORP | Percentage uptime on WAN/LAN interruptions quarterly | Baseline = 90 % Uptime per month. Check WAN/LAN daily check register (20 working days) & DUDE Monitoring System | <p>The percentage uptime of the WAN/LAN communication between head office and the outlying offices are monitored according to specific intervals, daily:</p> <p style="text-align: center;">LOCATION</p> <p>Lakeside Library Office of the Speaker Fire / Langrand Langrand / De Deur Mechanical Workshop Randvaal (Engineering) Fire Control Room Sicelo ADSL Henley Library ADSL Randvaal Library Blue Saddle / Savanna City</p> |
| 3 | KPI 023 | CORP | Number of Section 52(d)-performance reports (SDBIP) submitted to Mayoral Committee quarterly | MFMA Section 52(d)- performance reports submitted quarterly to the Mayoral Committee | <p>Section 52(d) of the Municipal Finance Management Act, 56 of 2003, reads as follows:</p> <p><i>“The mayor of a municipality –</i></p> <p style="padding-left: 40px;"><i>(d) must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality”</i></p> <p>Council complied 100% to the requirements of Section 52(d)</p> |

| | | | | | |
|---|---------|------|--|--|---|
| 4 | KPI 056 | CORP | (NKPI - 6) Percentage of a municipality's budget actually spent on implementing its workplace skills plan | Accumulative percentage of municipal budget allocated for training viz % spent. Section 71- financial report | 93.84% |
| 5 | KPI 090 | CORP | (NKPI - 5) Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Verify number of appointed staff on the 3 highest levels (MM, HOD and directors) as per the municipality's Annual Employment Equity Report | Currently 10 positions in the 3 highest levels, namely the Municipal Manager, Heads of Department and Directors are filled from employment equity target groups |

KPA 5

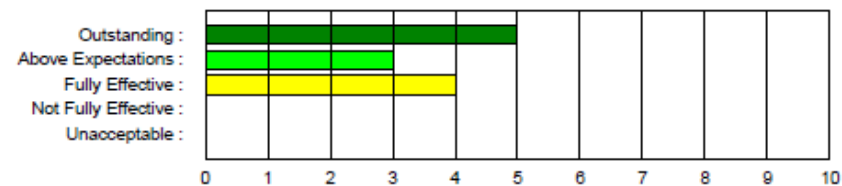
FINANCIAL SUSTAINABILITY

To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements

- KFA 19: Financial Management
- KFA 20: Revenue Management
- KFA 21: Supply Chain Management
- KFA 22: Asset Management, including Fleet Asset Management

KPA 5: Financial Sustainability

| | | |
|----------------------|---|-------|
| Outstanding: | 5 | 41.7% |
| Above Expectations: | 3 | 25.0% |
| Fully Effective: | 4 | 33.3% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 5, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|---|--|--|--|----------------------------------|-------------|
| 1 | KPI 044 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7c) Annual Cost coverage | Available cash + investments / Monthly fixed operating expenditure (cash expenditure) = Represents number of months covered | 1 | 30-Jun-17 |
| 2 | KPI 045 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | Approved budget by 30 May annually | Key Deadline process completed | 1 | 31-May-17 |
| 3 | KPI 047 | FIN | KFA 22: Asset Management (Including Fleet Asset Management) | To adequately maintain the assets of the municipality | Percentage of operational budget allocated to repairs and maintenance annually | Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of departmental charges - AFS) | 5.30% | 30-Jun-17 |
| 4 | KPI 048 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7a) Annual Debt coverage | Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue. Represents number of times debt is covered | 15 | 30-Jun-17 |
| 5 | KPI 049 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | Liquidity Ratio | Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported | 1 : 1 | 30-Jun-17 |

| | | | | | | | | |
|---|---------|-----|------------------------------|--|--|---|-----|-----------|
| 6 | KPI 052 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | Unqualified audit opinion issued by the Auditor-General annually | Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance | 1 | 30-Nov-16 |
| 7 | KPI 053 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7b) Outstanding service debtors to revenue | Total outstanding service debtors / revenue received for services calculated per annum (all consumer debtors included). Represents outstanding service debtors as a % of revenue. | 33% | 30-Jun-17 |
| 8 | KPI 068 | FIN | KFA 20: Revenue Management | To protect and enhance revenue | Percentage collection rate annually | Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs) | 93% | 30-Jun-17 |
| 9 | KPI 074 | FIN | KFA 19: Financial Management | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 3) The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's integrated development plan (IDP) | Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget) | 90% | 30-Jun-17 |

| | | | | | | | | |
|----|---------|------|---------------------------------|--|---|---|------|-----------|
| 10 | KPI 088 | FIN | KFA 20: Revenue Management | To protect and enhance revenue | (NKPI - 2) Percentage of households earning less than R1100 per month with access to free basic services | Percentage of number of households registered as formal indigent households who receive basic services (Total households income: R3 500 per month in our supply area). This is applied as indigents who receive subsidies for basic services on their municipal accounts. | 100% | 30-Jun-17 |
| 11 | KPI 089 | COMM | KFA 20: Revenue Management | To protect and enhance revenue | Percentage of indigent applications received from Finance Department assessed quarterly | Indigent applications received from Finance assessed | 90% | 30-Jun-17 |
| 12 | KPI 091 | FIN | KFA 21: Supply Chain Management | To review and streamline supply chain management processes | Number of SCM-reports submitted to the Municipal Manager within the required turn-around time monthly | Reports detailing the implementation of the SCM Policy of the previous month, submitted to the Municipal Manager within 5 days after the end of the month. Contains details of SCM awards and deviations from the Policy. | 12 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|---|--|----------------------------------|-------------|--------------|----------------------------|-------|-----------------------------|
| 1 | KPI 044 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7c) Annual Cost coverage | Available cash + investments / Monthly fixed operating expenditure (cash expenditure) = Represents number of months covered | 1 | 30-Jun-17 | 1 | 2.19 | 2.19 | Outstanding Performance |
| 2 | KPI 045 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | Approved budget by 30 May annually | Key Deadline process completed | 1 | 31-May-17 | 1 | 1 | 1 | Fully Effective |
| 3 | KPI 047 | FIN | To adequately maintain the assets of the municipality | Percentage of operational budget allocated to repairs and maintenance annually | Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of departmental charges - AFS) | 5.30% | 30-Jun-17 | 5.30% | 5.54% | 5.54% | Fully Effective |
| 4 | KPI 048 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7a) Annual Debt coverage | Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue. Represents number of times debt is covered | 15 | 30-Jun-17 | 15 | 21.36 | 21.36 | Outstanding Performance |

| | | | | | | | | | | | |
|---|---------|-----|--|---|--|-------|-----------|-------|----------|----------|-------------------------|
| 5 | KPI 049 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | Liquidity Ratio | Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported | 1 : 1 | 30-Jun-17 | 1 : 1 | 2.09 : 1 | 2.09 : 1 | Outstanding Performance |
| 6 | KPI 052 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | Unqualified audit opinion issued by the Auditor-General annually | Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance | 1 | 30-Nov-16 | 0 | 0 | 1 | Outstanding Performance |
| 7 | KPI 053 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 7b) Outstanding service debtors to revenue | Total outstanding service debtors / revenue received for services calculated per annum (all consumer debtors included). Represents outstanding service debtors as a % of revenue | 33% | 30-Jun-17 | 33% | 29.35% | 29.35% | Above Expectations |
| 8 | KPI 068 | FIN | To protect and enhance revenue | Percentage collection rate annually | Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs) | 93% | 30-Jun-17 | 93% | 93.76% | 93.76% | Above Expectations |
| 9 | KPI 074 | FIN | To manage the finances of the municipality in a manner that will enhance its financial viability | (NKPI - 3) The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's integrated development plan (IDP) | Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget) | 90% | 30-Jun-17 | 90% | 91.15% | 91.15% | Above Expectations |

| | | | | | | | | | | | |
|----|---------|------|--|---|--|------|-----------|------|------|------|-------------------------|
| 10 | KPI 088 | FIN | To protect and enhance revenue | (NKPI - 2) Percentage of households earning less than R1100 per month with access to free basic services | Percentage of number of households registered as formal indigent households who receive basic services (Total households income: R3 500 per month in our supply area). This is applied as indigents who receive subsidies for basic services on their municipal accounts | 100% | 30-Jun-17 | 100% | 100% | 100% | Fully Effective |
| 11 | KPI 089 | COMM | To protect and enhance revenue | Percentage of indigent applications received from Finance Department assessed quarterly | Indigent applications received from Finance assessed | 90% | 30-Jun-17 | 90% | 100% | 100% | Outstanding Performance |
| 12 | KPI 091 | FIN | To review and streamline supply chain management processes | Number of SCM-reports submitted to the Municipal Manager within the required turn-around time monthly | Reports detailing the implementation of the SCM Policy of the previous month, submitted to the Municipal Manager within 5 days after the end of the month. Contains details of SCM awards and deviations from the Policy. | 12 | 30-Jun-17 | 3 | 3 | 12 | Fully Effective |

The outcome of the financial Key Performance Indicators as well as the National Key Performance Indicators are reflected as follows:



KPA 6

PHYSICAL INFRASTRUCTURE & ENERGY EFFICIENCY

To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal

KFA 23: Electricity & Energy Efficiency

KFA 24: Roads and Storm Water Infrastructure

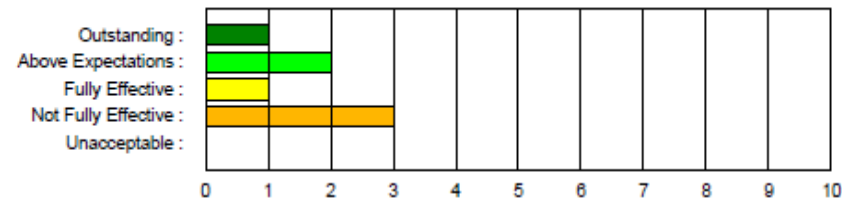
KFA 25: Water and Sanitation Infrastructure

KFA 26: Landfill Sites and Transfer Stations

KFA 27: Municipal and public facilities, including sport & recreation

KPA 6: Physical Infrastructure and Energy Efficiency

| | | |
|----------------------|---|-------|
| Outstanding: | 1 | 14.3% |
| Above Expectations: | 2 | 28.6% |
| Fully Effective: | 1 | 14.3% |
| Not Fully Effective: | 3 | 42.9% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 6, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|--|---|---|--|----------------------------------|-------------|
| 1 | KPI 016 | ENG | KFA 27: Municipal and Public facilities | To plan, construct and maintain municipal and public facilities | Number of building maintenance projects completed annually | Annual Building Maintenance Plan, aligned with budget, approved by Mayoral Committee, completed | 5 | 30-Jun-17 |
| 2 | KPI 029 | COMM | KFA 26: Landfill Sites & Transfer Stations | To plan, construct and maintain landfill sites and transfer stations | Acquisition of 1 x Skip Bin Loader | Delivery Note | 1 | 30-Jun-17 |
| 3 | KPI 037 | ENG | KFA 25: Water and Sanitation Infrastructure | To plan, construct and maintain water and sanitation infrastructure | Submitted Water and Sanitation Maintenance Master Plan annually | 2017/2018-Annual Water & Sanitation Maintenance Master Plan submitted to the Mayoral Committee for approval before 30 Jun 2017. 1 (Submission of Master Plans) | 1 | 30-Jun-17 |
| 4 | KPI 039 | ENG | KFA 24: Roads and Storm-water Infrastructure | To plan, construct and maintain roads and storm-water infrastructure | Number of square meters of tarred road resurfaced annually | Accumulative square meters of tar roads resurfaced | 45 000 | 30-Jun-17 |
| 5 | KPI 070 | ENG | KFA 23: Electricity & Energy Efficiency | To plan, construct and maintain electricity networks and to improve energy efficiency | Percentage of electricity losses not to exceed target annually | Loss electricity kW purchase / kW accounted for due to loss | 11.50% | 30-Jun-17 |

| | | | | | | | | |
|---|---------|-----|---|---|---|---|---------------|-----------|
| 6 | KPI 086 | ENG | KFA 25: Water and Sanitation Infrastructure | To plan, construct and maintain water and sanitation infrastructure | (NKPI - 1b) Percentage of households with access to basic level of sanitation | Definition of a household = "people living together under one roof" / basic level of sanitation = minimum of flush toilet with septic tank /pit latrine with ventilation. Baseline: National Stats SA, 2011 - 84.1 % / GCRO Quality of Life Survey, 2013 - 81 % Service availability is determined per area | 84.10% | 30-Jun-17 |
| 7 | KPI 094 | ENG | KFA 25: Water and Sanitation Infrastructure | To plan, construct and maintain water and sanitation infrastructure | Number of additional formal households with access to basic level of sanitation annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 350 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|---|--|----------------------------------|-------------|--------------|----------------------------|-----------|-----------------------------|
| 1 | KPI 016 | ENG | To plan, construct and maintain municipal and public facilities | Number of building maintenance projects completed annually | Annual Building Maintenance Plan, aligned with budget, approved by Mayoral Committee, completed | 5 | 30-Jun-17 | 4 | 3 | 5 | Above Expectations |
| 2 | KPI 029 | COMM | To plan, construct and maintain landfill sites and transfer stations | Acquisition of 1 x Skip Bin Loader | Delivery Note | 1 | 30-Jun-17 | 1 | 1 | 1 | Fully Effective |
| 3 | KPI 037 | ENG | To plan, construct and maintain water and sanitation infrastructure | Submitted Water and Sanitation Maintenance Master Plan annually | 2017/2018-Annual Water & Sanitation Maintenance Master Plan submitted to the Mayoral Committee for approval before 30 Jun 2017. 1 (Submission of Master Plans) | 1 | 30-Jun-17 | 1 | 1 | 0 | Not fully effective |
| 4 | KPI 039 | ENG | To plan, construct and maintain roads and storm-water infrastructure | Number of square meters of tarred road resurfaced annually | Accumulative square meters of tar roads resurfaced | 45 000 | 30-Jun-17 | 45 000 | 47 233.35 | 47 237.46 | Above Expectations |

| | | | | | | | | | | | |
|---|---------|-----|---|---|---|--------|-----------|--------|--------|--------|-------------------------|
| 5 | KPI 070 | ENG | To plan, construct and maintain electricity networks and to improve energy efficiency | Percentage of electricity losses not to exceed target annually | Loss electricity kW purchase / kW accounted for due to loss | 11.50% | 30-Jun-17 | 11.50% | 8.58% | 11.79% | Not fully effective |
| 6 | KPI 086 | ENG | To plan, construct and maintain water and sanitation infrastructure | (NKPI - 1b) Percentage of households with access to basic level of sanitation | Definition of a household = "people living together under one roof" / basic level of sanitation = minimum of flush toilet with septic tank /pit latrine with ventilation. Baseline: National Stats SA, 2011 - 84.1 % / GCRO Quality of Life Survey, 2013 - 81 % Service availability is determined per area | 84.10% | 30-Jun-17 | 84.10% | 77.93% | 77.93% | Not fully effective |
| 7 | KPI 094 | ENG | To plan, construct and maintain water and sanitation infrastructure | Number of additional formal households with access to basic level of sanitation annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 350 | 30-Jun-17 | 350 | 1 011 | 1 011 | Outstanding Performance |

Additional explanatory information relevant to each indicator, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS | | | | | | | | | | | | | | | | | | | | |
|----|---------|-------------|---|--|--|---|------|-------|-----------------------|---|--|-------|---|---|--|---------|---|---|-----|-------------|---------------------|---|--------|-------------|------------------|
| 1 | KPI 016 | ENG | Number of building maintenance projects completed annually | Annual Building Maintenance Plan, aligned with budget, approved by Mayoral Committee, completed | <p>The following identified building maintenance projects, in line with the budget, were completed, however all the projects are not yet fully completed:</p> <table><tr><td>1</td><td>COMM</td><td>Parks</td><td>Swimming Pool: Paving</td></tr><tr><td>2</td><td></td><td>Parks</td><td>Swimming Pool: Remedial repairs to roof</td></tr><tr><td>3</td><td></td><td>Library</td><td>Sicelo Library: Internal Repairs & Painting</td></tr><tr><td>4</td><td>FIN</td><td>Head Office</td><td>Retile ground floor</td></tr><tr><td>5</td><td>DP & H</td><td>Head Office</td><td>Repairs to Eaves</td></tr></table> | 1 | COMM | Parks | Swimming Pool: Paving | 2 | | Parks | Swimming Pool: Remedial repairs to roof | 3 | | Library | Sicelo Library: Internal Repairs & Painting | 4 | FIN | Head Office | Retile ground floor | 5 | DP & H | Head Office | Repairs to Eaves |
| 1 | COMM | Parks | Swimming Pool: Paving | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | Parks | Swimming Pool: Remedial repairs to roof | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | Library | Sicelo Library: Internal Repairs & Painting | | | | | | | | | | | | | | | | | | | | | | |
| 4 | FIN | Head Office | Retile ground floor | | | | | | | | | | | | | | | | | | | | | | |
| 5 | DP & H | Head Office | Repairs to Eaves | | | | | | | | | | | | | | | | | | | | | | |
| 2 | KPI 029 | COMM | Acquisition of 1 x Skip Bin Loader | Delivery Note | Registered on 13 Apr 2017 - Hino 700 PRO 229 - R2 050 722.52 (FV 48 BC GP) | | | | | | | | | | | | | | | | | | | | |
| 3 | KPI 037 | ENG | Submitted Water and Sanitation Maintenance Master Plan annually | 2017/2018-Annual Water & Sanitation Maintenance Master Plan submitted to the Mayoral Committee for approval before 30 Jun 2017. 1 (Submission of Master Plans) | <p>The Sanitation Maintenance Plan indicates that MLM operates and maintains its own waste-water collection system. Areas where no sewer network exists are serviced by chemical toilets, ventilated improved pit latrines, septic tanks, bio-chemical systems and/or conservancy tanks.</p> <p>The Municipal Sewer System consists of:</p> <ul style="list-style-type: none">➤ 316 km of network pipes➤ ± 5 007 manholes➤ Pipe sizes between 110 mm to 500 mm diameter➤ 29 Pump-stations➤ 3 Operational Waste-water Treatment Plants➤ The majority of pipes are gravity pipes with about 19 km of rising mains. <p>Preventative and scheduled maintenance is done for selfpriming, end-suction and submersible pumps, couplings and V-Belts according to pre-approved check lists.</p> | | | | | | | | | | | | | | | | | | | | |

| | | | | | |
|---|---------|-----|--|--|--|
| | | | | | <p>The Water Maintenance Plan indicates that the water network in MLM consists of:</p> <ul style="list-style-type: none"> ➤ 864.7 km of pipe (± 90% is asbestos cement AC pipes); ➤ 9 Reservoirs; ➤ 6 Pump-stations. <p>Areas that are not connected to the municipal water system are relying on either Rand Water and/or boreholes.</p> <p>Maintenance and repairs are done according to the approved plan.</p> |
| 4 | KPI 039 | ENG | Number of square meters of tarred road resurfaced annually | Accumulative square meters of tar roads resurfaced | Refer to the report at the end of the column |
| 5 | KPI 070 | ENG | Percentage of electricity losses not to exceed target annually | Loss electricity kW purchase / kW accounted for due to loss | 11.79% |
| 6 | KPI 094 | ENG | Number of additional formal households with access to basic level of sanitation annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 1 011 |

Road resurfacing, resealing and patching were done as follows:

| REF | AREA | WARD | STREET | APPROXIMATE AMOUNT |
|-----|-------------------------|------|---|----------------------|
| R5 | Meyerton Park | 5 | Kwêvoël Street | 205 432.61 |
| R6 | | 3 | Struis & Bell Road | 611 760.99 |
| R8 | Buyscelia | 4 | Strydom Street | 852 883.20 |
| R9 | | 2 | Joan Street | 502 233.40 |
| R10 | Meyerton | 3 | Marthinus Oosthuizen Street | 563 644.25 |
| R11 | | 9 | Fenton Street | 292 502.97 |
| R13 | | 13 | Malan Street | 643 042.06 |
| R14 | | 14 | Buhner Street/Shippard Street | 245 136.48 |
| R15 | Kookrus | 3 | Pierneef Boulevard (Model Bottle Store) | 918 691.30 |
| R16 | | 3 | Pierneef & Jim Fouche Intersection | 1 520 690.97 |
| R18 | Sybrand van Niekerkpark | 3 | Louis Luytlaan to Victor Van Eck | 746 947.24 |
| R20 | | 15 | Shillingford Road | 499 493.06 |
| R21 | Highbury | 5 | Kalksteen & Graniet Intersection | 290 234.00 |
| R23 | Sybrand van Niekerkpark | 3 | Tom Muller & Albert Wessels | 599 978.00 |
| | | | | R8 492 670.53 |

KPA 7

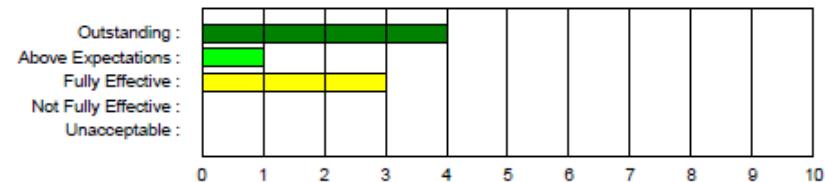
SERVICE & CUSTOMER CARE

To improve our public relations there-by pledging that our customers are serviced with dignity and care

- KFA 28: Water and Sanitation
- KFA 29: Electricity
- KFA 30: Cleansing and Waste Management
- KFA 31: Customer Relations

KPA 7: Service and Customer Care

| | | |
|----------------------|---|-------|
| Outstanding: | 4 | 50.0% |
| Above Expectations: | 1 | 12.5% |
| Fully Effective: | 3 | 37.5% |
| Not Fully Effective: | 0 | 0.0% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 7, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|------|--|--|--|---|----------------------------------|-------------|
| 1 | KPI 001 | COMM | KFA 30: Cleansing and Waste Management | To provide sustainable, reliable and affordable waste disposal services to all residents | (NKPI - 1d) Percentage of households with access to basic level of solid waste removal | Definition of a household = "people living together under one roof". "Access to basic level" = collection point. Baseline: National Stats SA, 2011 - 83.1 % / GCRO Quality of Life Survey, 2013 - 82 % Service availability is determined per area | 83.10% | 30-Jun-17 |
| 2 | KPI 026 | CORP | KFA 31: Customer Relations | To develop, implement and maintain sound relations with all customers | Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly | Survey report to reflect the 5 most common complaints, 5 most common affected areas and level of satisfaction per department. Report e-mailed to all stakeholders quarterly | 4 | 30-Jun-17 |
| 3 | KPI 040 | ENG | KFA 28: Water and Sanitation | To provide sustainable, reliable and affordable water and sanitation services to all residents | (NKPI -1a) Percentage of households with access to basic level of water | Definition of a household = "people living together under one roof" / basic level of water = potable water. Baseline: National Stats SA, 2011 - 75.8 % / GCRO Quality of Life Survey, 2013 - 79 % (Service availability is determined per area) | 75.8% | 30-Jun-17 |





| | | | | | | | | |
|---|---------|------|--|--|--|--|--------|-----------|
| 4 | KPI 041 | ENG | KFA 28: Water and Sanitation | To provide sustainable, reliable and affordable water and sanitation services to all residents | Percentage of water losses not to exceed target annually | kL water purchased divided by kL of water accounted for | 28.50% | 30-Jun-17 |
| 5 | KPI 087 | ENG | KFA 29: Electricity | To provide sustainable, reliable and affordable electricity to all residents | (NKPI - 1c) Percentage of households with access to basic level of electricity | Definition of a household = "people living together under one roof" / basic level of electricity = minimum of 10 Amp connection per household. Baseline: National Stats SA, 2011 - 79.3 % / GCRO Quality of Life Survey, 2013 - 80 % Service availability is determined per area | 79.30% | 30-Jun-17 |
| 6 | KPI 092 | COMM | KFA 30: Cleansing and Waste Management | To provide sustainable, reliable and affordable waste disposal services to all residents | Number of additional formal households with access to solid waste removal service annually | Access = Venus Billing Report as at 30 Jun 2016 compared to Venus Billing Report as at 30 Jun 2017 | 350 | 30-Jun-17 |
| 7 | KPI 093 | ENG | KFA 28: Water and Sanitation | To provide sustainable, reliable and affordable water and sanitation services to all residents | Number of additional formal households with access to basic level of water annually | Venus print-out (households registered on the financial system) as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 350 | 30-Jun-17 |
| 8 | KPI 095 | ENG | KFA 29: Electricity | To provide sustainable, reliable and affordable electricity to all residents | Number of additional formal households with access to basic level of electricity annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 150 | 30-Jun-17 |





The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Performance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|------|--|--|--|----------------------------------|-------------|--------------|----------------------------|--------|-----------------------------|
| 1 | KPI 001 | COMM | To provide sustainable, reliable and affordable waste disposal services to all residents | (NKPI - 1d) Percentage of households with access to basic level of solid waste removal | Definition of a household = "people living together under one roof". "Access to basic level" = collection point. Baseline: National Stats SA, 2011 - 83.1 % / GCRO Quality of Life Survey, 2013 - 82 % Service availability is determined per area | 83.10% | 30-Jun-17 | 83.1% | 83.1% | 83.1% | Fully Effective |
| 2 | KPI 026 | CORP | To develop, implement and maintain sound relations with all customers | Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly | Survey report to reflect the 5 most common complaints, 5 most common affected areas and level of satisfaction per department. Report e-mailed to all stakeholders quarterly | 4 | 30-Jun-17 | 1 | 1 | 4 | Fully Effective |
| 3 | KPI 040 | ENG | To provide sustainable, reliable and affordable water and sanitation services to all residents | (NKPI -1a) Percentage of households with access to basic level of water | Definition of a household = "people living together under one roof" / basic level of water = potable water. Baseline: National Stats SA, 2011 - 75.8 % / GCRO Quality of Life Survey, 2013 - 79 % (Service availability is determined per area) | 75.8% | 30-Jun-17 | 75.80% | 90.90% | 90.90% | Outstanding Performance |

| | | | | | | | | | | | |
|---|---------|------|--|--|---|--------|-----------|--------|--------|--------|-------------------------|
| 4 | KPI 041 | ENG | To provide sustainable, reliable and affordable water and sanitation services to all residents | Percentage of water losses not to exceed target annually | kL water purchased divided by kL of water accounted for | 28.50% | 30-Jun-17 | 28.50% | 28.01% | 28.01% | Above Expectations |
| 5 | KPI 087 | ENG | To provide sustainable, reliable and affordable electricity to all residents | (NKPI - 1c) Percentage of households with access to basic level of electricity | Definition of a household = "people living together under one roof" / basic level of electricity = minimum of 10 Amp connection per household. Baseline: National Stats SA, 2011 - 79.3 % / GCRO Quality of Life Survey, 2013 - 80 % Service availability is determined per area | 79.30% | 30-Jun-17 | 79.3% | 79.33% | 79.33% | Fully Effective |
| 6 | KPI 092 | COMM | To provide sustainable, reliable and affordable waste disposal services to all residents | Number of additional formal households with access to solid waste removal service annually | Access = Venus Billing Report as at 30 Jun 2016 compared to Venus Billing Report as at 30 Jun 2017 | 350 | 30-Jun-17 | 350 | 1 029 | 1 029 | Outstanding Performance |
| 7 | KPI 093 | ENG | To provide sustainable, reliable and affordable water and sanitation services to all residents | Number of additional formal households with access to basic level of water annually | Venus print-out (households registered on the financial system) as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 350 | 30-Jun-17 | 350 | 1 778 | 1 778 | Outstanding Performance |
| 8 | KPI 095 | ENG | To provide sustainable, reliable and affordable electricity to all residents | Number of additional formal households with access to basic level of electricity annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households | 150 | 30-Jun-17 | 150 | 1 108 | 1 108 | Outstanding Performance |

Additional explanatory information relevant to the National Key Performance Indicators, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS | |
|----|---------|------|--|--|---|---------------|
| 1 | KPI 040 | ENG | (NKPI -1a) Percentage of households with access to basic level of water | <p>Definition of a household = "people living together under one roof" / basic level of water = potable water. Baseline: National Stats SA, 2011 - 75.8 % / GCRO Quality of Life Survey, 2013 - 79 %</p> <p>Service availability is determined per area</p> |  | 90.90% |
| 2 | KPI 086 | ENG | (NKPI - 1b) Percentage of households with access to basic level of sanitation | <p>Definition of a household = "people living together under one roof" / basic level of sanitation = minimum of flush toilet with septic tank /pit latrine with ventilation. Baseline: National Stats SA, 2011 - 84.1 % / GCRO Quality of Life Survey, 2013 - 81 %</p> <p>Service availability is determined per area</p> |  | 77.93% |
| 3 | KPI 087 | ENG | (NKPI - 1c) Percentage of households with access to basic level of electricity | <p>Definition of a household = "people living together under one roof" / basic level of electricity = minimum of 10 Amp connection per household. Baseline: National Stats SA, 2011 - 79.3 % / GCRO Quality of Life Survey, 2013 - 80 %</p> <p>Service availability is determined per area</p> |  | 79.33% |
| 4 | KPI 001 | COMM | (NKPI - 1d) Percentage of households with access to basic level of solid waste removal | <p>Definition of a household = "people living together under one roof". "Access to basic level" = collection point. Baseline: National Stats SA, 2011 - 83.1 % / GCRO Quality of Life Survey, 2013 - 82 %</p> <p>Service availability is determined per area</p> |  | 83.1% |

| | | | | | | |
|---|---------|------|--|--|---|-------|
| 5 | KPI 092 | COMM | Number of additional formal households with access to solid waste removal service annually | Access = Venus Billing Report as at 30 Jun 2016 compared to Venus Billing Report as at 30 Jun 2017 |  | 1 029 |
| 6 | KPI 093 | ENG | Number of additional formal households with access to basic level of water annually | Venus print-out (households registered on the financial system) as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households |  | 1 778 |
| 7 | KPI 095 | ENG | Number of additional formal households with access to basic level of electricity annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households |  | 1 108 |
| 8 | KPI 094 | ENG | Number of additional formal households with access to basic level of sanitation annually | Venus print-out as at 30 Jun 2016 compared with 30 Jun 2017 = Additional formal households |  | 1 011 |

KPA 8

ECONOMIC GROWTH & DEVELOPMENT

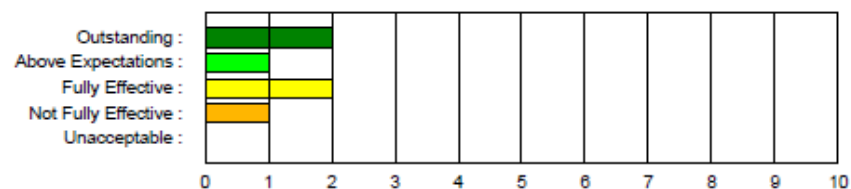
To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development

KFA 32: Local Economic Development (LED)

KFA 33: Spatial and Development Planning

KPA 8: Economic Growth and Development

| | | |
|----------------------|---|-------|
| Outstanding: | 2 | 33.3% |
| Above Expectations: | 1 | 16.7% |
| Fully Effective: | 2 | 33.3% |
| Not Fully Effective: | 1 | 16.7% |
| Unacceptable: | 0 | 0.0% |
| Not Valued/NA: | 0 | |



The Key Performance Indicators supporting the objectives of KPA 8, linked to the relevant KFA, were approved as follows:

| NO | IDP REF | DEPT | KFA DESCRIPTION | PREDETERMINED OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE |
|----|---------|--------|--|---|--|---|----------------------------------|-------------|
| 1 | KPI 030 | DP & H | KFA 32: Local Economic Development (LED) & Capacity Building | To facilitate and promote local economic growth | Report on funded Agricultural LED programme implemented | Progress report on Kgatelopele Youth Programme submitted to Mayoral Committee | 2 | 30-Jun-17 |
| 2 | KPI 031 | DP & H | KFA 33: Spatial and Development Planning | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Percentage compliance in terms of turn-around time maintained to consider land use applications per quarter | Percentage compliance in terms of the Services Charter | 90% | 30-Jun-17 |
| 3 | KPI 032 | DP & H | KFA 33: Spatial and Development Planning | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Percentage compliance in terms of turn-around time maintained to consider building plan applications per quarter | Percentage compliance in terms of the Services Charter | 90% | 30-Jun-17 |
| 4 | KPI 033 | DP & H | KFA 32: Local Economic Development (LED) & Capacity Building | To facilitate and promote local economic growth | Revised LED Strategy approved by Council (<i>Draft approved by Council per item C1558/12/2016 dated 8 Dec 2016 for public participation</i>) | Revised LED Strategy approved by Council (Council Resolution) | 1 | 30-Jun-17 |
| 5 | KPI 034 | DP & H | KFA 33: Spatial and Development Planning | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Revised De Deur Precinct Plan | Plan approved by Council | 1 | 30-Jun-17 |
| 6 | KPI 096 | DP & H | KFA 32: Local Economic Development (LED) & Capacity Building | To facilitate and promote local economic growth | (NKPI - 4) Number of jobs created through municipality's local economic development initiatives including capital projects | Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) | 1 200 | 30-Jun-17 |

The performance per indicator is reported as follows:

| NO | IDP REF | DEPT | PREDETERMINE D OBJECTIVE | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | TARGET DATE | Qtr 4 Target | Qtr 4 - Actual Perform- ance | Y-t-D | FINAL MEASURE OF ATTAINMENT |
|----|---------|--------|---|--|---|---|----------------|-----------------|---------------------------------------|--------|-----------------------------------|
| 1 | KPI 030 | DP & H | To facilitate and promote local economic growth | Report on funded Agricultural LED programme implemented | Progress report on Kgatelopele Youth Programme submitted to Mayoral Committee | 2 | 30-Jun-17 | 1 | 1 | 1 | Not fully effective |
| 2 | KPI 031 | DP & H | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Percentage compliance in terms of turn-around time maintained to consider land use applications per quarter | Percentage compliance in terms of the Services Charter | 90% | 30-Jun-17 | 90% | 97% | 97% | Outstanding Performance |
| 3 | KPI 032 | DP & H | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Percentage compliance in terms of turn-around time maintained to consider building plan applications per quarter | Percentage compliance in terms of the Services Charter | 90% | 30-Jun-17 | 90% | 98.5% | 98.50% | Outstanding Performance |
| 4 | KPI 033 | DP & H | To facilitate and promote local economic growth | Revised LED Strategy approved by Council (Draft approved by Council per item C1558/12/2016 dated 8 Dec 2016 for public participation) | Revised LED Strategy approved by Council (Council Resolution) | 1 | 30-Jun-17 | 1 | 1 | 1 | Fully Effective |

| | | | | | | | | | | | |
|---|---------|--------|---|--|---|-------|-----------|-------|-------|-------|--------------------|
| 5 | KPI 034 | DP & H | To develop effective and efficient building plan and development application processes, including effective and sustainable rural development | Revised De Deur Precinct Plan | Plan approved by Council | 1 | 30-Jun-17 | 1 | 1 | 1 | Fully Effective |
| 6 | KPI 096 | DP & H | To facilitate and promote local economic growth | (NKPI - 4) Number of jobs created through municipality's local economic development initiatives including capital projects | Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) | 1 200 | 30-Jun-17 | 1 200 | 1 932 | 1 932 | Above Expectations |

Additional explanatory information relevant to each indicator, linked to the performance outcome, is reported hereunder:

| NO | IDP REF | TYPE OF INDICATOR | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | DETAILS |
|----|---------|-------------------|--------|---|---|---|
| 1 | KPI 030 | KPI | DP & H | Report on funded Agricultural LED programme implemented | Progress report on Kgatelopele Youth Programme submitted to Mayoral Committee | <p>Council availed an amount of plus minus R500 000 to train at least 200 youth, register them as co-operatives and link them to available municipal services opportunities.</p> <p>The Vision of the programme is to capacitate the local youth (aged between 18 to 35 years) with skills as entrepreneurs and to be linked to job opportunities.</p> <p>A selection and screening phase was conducted and 250 youth were selected. A vetting process was conducted and 183 youth remained. A self-assessment phase followed and 129 youth decided to participate in the project.</p> <p>The registered co-operatives will benefit from service delivery projects, including waste cleaning, road sweeping, account delivery, water leaks, road painting and tree felling.</p> |
| 2 | KPI 031 | KPI | DP & H | Percentage compliance in terms of turn-around time maintained to consider land use applications per quarter | Percentage compliance in terms of the Services Charter | <p>The purpose of the indicator is to monitor the consideration of land use applications as per the approved Services Charter (MC B/4377/10/2014 dated 27 Oct 2014) –</p> <ol style="list-style-type: none"> 1.1 Township establishment – Within 6 months 1.2 Rezoning and removal of restrictions – within 6 months 1.3 Consolidations – Within 60 calendar days 1.4 Consent use application and subdivisions – Within 5 months 1.5 Building plan relaxations – Within 40 working days 1.6 Site Development Plans – within 60 working days |
| 3 | KPI 032 | KPI | DP & H | Percentage compliance in terms of turn-around time maintained to consider building plan applications per quarter | Percentage compliance in terms of the Services Charter | <p>The purpose of the indicator is to monitor the consideration of building plan applications as per the approved Services Charter (MC B/4377/10/2014 dated 27 Oct 2014). Building plan applications are categorised in the following categories:</p> <ol style="list-style-type: none"> 1.1 Standard residential building plan – 40 working days 1.2 Non-standard building plan – 60 working days 1.3 Occupancy Certificate – Within 20 working days after submission |

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------|-----|--------|--|---|---|-----------------------------|-----|--|----|---|----|---|---|--|----|------------------------------|---|---|----|--------------------------------|---|---------|-----|---------|-----|
| 4 | KPI 033 | KPI | DP & H | Revised LED Strategy approved by Council (Draft approved by Council per item C1558/12/2016 dated 8 Dec 2016 for public participation) | Revised LED Strategy approved by Council (Council Resolution) | <p>The purpose of the Revised Local Economic Development (LED) Strategy was to:</p> <ol style="list-style-type: none">1. Align with the National and Provincial LED Strategies, programmes and initiatives2. Partner with private sector in undertaking LED projects3. Capacitate community members and Small Micro Medium Enterprises (SMME) with skills and access, etc. | | | | | | | | | | | | | | | | | | | | |
| 5 | KPI 034 | KPI | DP & H | Revised De Deur Precinct Plan | Plan approved by Council | <p>The Revised De Deur Precinct Plan included the following:</p> <ol style="list-style-type: none">1. Status quo and updated land use survey2. Limits of the functional precinct3. Delineation of the urban development boundary4. “Best-practice” uses accommodated in the precinct5. Uses not permitted within the precinct6. Appropriate development controls, including density, floor area ratio, coverage parking requirements, building lines, etc.7. Public participation, including the identification of interested and affected parties8. Final report incorporating maps and plans | | | | | | | | | | | | | | | | | | | | |
| 6 | KPI 096 | KPI | DP & H | (NKPI - 4) Number of jobs created through municipality's local economic development initiatives including capital projects | Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) | <p>During the 2016/2017-financial year a total of 1 932 job opportunities were created.</p> <p>The current job creation projects and programmes included the following:</p> <table><tr><td>1. Savanna City Development</td><td>523</td></tr><tr><td>2. Mamello Extension 1 Housing and the Vaal Dam Housing Projects</td><td>76</td></tr><tr><td>3. Sicelo Shiceka Extension 5 Housing Project</td><td>27</td></tr><tr><td>4. Mamello Bulk Water Supply (Water Tower Construction)</td><td>8</td></tr><tr><td>5. Provision of Gravity Sewer Reticulation in Daleside</td><td>16</td></tr><tr><td>6. Gravel to Tar (All Wards)</td><td>5</td></tr><tr><td>7. Upgrading of Bulk Sewerage Supply for Sicelo and other Areas</td><td>62</td></tr><tr><td>8. Fire Station in Vaal Marina</td><td>4</td></tr><tr><td>9. EPWP</td><td>345</td></tr><tr><td>10. CWP</td><td>866</td></tr></table> | 1. Savanna City Development | 523 | 2. Mamello Extension 1 Housing and the Vaal Dam Housing Projects | 76 | 3. Sicelo Shiceka Extension 5 Housing Project | 27 | 4. Mamello Bulk Water Supply (Water Tower Construction) | 8 | 5. Provision of Gravity Sewer Reticulation in Daleside | 16 | 6. Gravel to Tar (All Wards) | 5 | 7. Upgrading of Bulk Sewerage Supply for Sicelo and other Areas | 62 | 8. Fire Station in Vaal Marina | 4 | 9. EPWP | 345 | 10. CWP | 866 |
| 1. Savanna City Development | 523 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Mamello Extension 1 Housing and the Vaal Dam Housing Projects | 76 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Sicelo Shiceka Extension 5 Housing Project | 27 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Mamello Bulk Water Supply (Water Tower Construction) | 8 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Provision of Gravity Sewer Reticulation in Daleside | 16 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Gravel to Tar (All Wards) | 5 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. Upgrading of Bulk Sewerage Supply for Sicelo and other Areas | 62 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. Fire Station in Vaal Marina | 4 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. EPWP | 345 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. CWP | 866 | | | | | | | | | | | | | | | | | | | | | | | | | |

13. Targets not fully achieved

The following Key Performance Indicators (KPIs) were not fully effectively achieved. The causes that impacted negatively on the achievement, as well as the measures taken to improve performance, as required in Paragraph 1(c) of Section 46 of the Municipal Systems Act, Act 32 of 2000, are also reported:

| NO | IDP REF | DEPT | KEY PERFORMANCE INDICATOR | DEFINITION | YEAR 4 - ANNUAL TARGET 2016/2017 | Qtr 4 - Reason for performance | Qtr 4 - Remedial Action (if required) | Y-t-D |
|----|---------|--------|---|---|----------------------------------|---|---|--------|
| 1 | KPI 030 | DP & H | Report on funded Agricultural LED programme implemented | Progress report on Kgatelopele Youth Programme submitted to Mayoral Committee | 2 | Mayoral Committee resolution outstanding | The report is still in the reporting cycle to the Mayoral Committee for consideration. Mayoral Committee meetings are held according to the approved year planner | 1 |
| 2 | KPI 037 | ENG | Submitted Water and Sanitation Maintenance Master Plan annually | 2017/2018-Annual Water & Sanitation Maintenance Master Plan submitted to the Mayoral Committee for approval before 30 Jun 2017 | 1 | Annual Water & Sanitation Maintenance Master Plan submitted to Section 80-committee for consideration on 5 Jun 2017 | The report is still in the reporting cycle to the Mayoral Committee for consideration. Mayoral Committee meetings are held according to the approved year planner | 0 |
| 3 | KPI 070 | ENG | Percentage of electricity losses not to exceed target annually | Loss electricity kW purchase / kW accounted for due to loss | 11.5% | Target reduced with 3.08 % | Various remedial actions were implemented to prevent electricity losses | 11.79% |
| 4 | KPI 086 | ENG | (NKPI - 1b) Percentage of households with access to basic level of sanitation | Definition of a household = "people living together under one roof" / basic level of sanitation = minimum of flush toilet with septic tank /pit latrine with ventilation. Baseline: National Stats SA, 2011 - 84.1 % / GCRO Quality of Life Survey, 2013 - 81 % | 84.1% | 2011 National Statistics vs latest Statistics reduced % | Percentage will increase as additional connections are being done | 77.93% |

14. **Performance of External Service Providers**

Section 116(2)(b) of the Municipal Finance Management Act, Act 56 of 2003, determines as follows:

The Accounting Officer must, inter alia -

- “(b) monitor on a monthly basis the performance of the contractor under the contract or agreement.*
- “(d) regular report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.”*

The performance of the appointed external service providers, according to the Supply Chain Management Policy & Procedures, is monitored on a monthly, quarterly, bi-annually or once-off, depending on the type of service rendered.

Performance of the service providers were monitored, measured and reported according to the agreed and accepted deliverables.

Appropriate remedial actions were implemented in cases of poor and/or under performance and continuously monitored by the end-user departments. In some cases, service providers were reported to National Treasury for further action.

15. General Key Performance Indicators

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) prescribes certain general key performance indicators to be included in the performance management system. The results of these ratios are as follows:

| Section | Indicator | 2016 | 2017 |
|--------------|--|--|--|
| 10(a) | Percentage of households with access to basic level of: | | |
| | Water | 75.8% | 90.90% |
| | Sanitation | 84.1% | 77.93% |
| | Electricity | 79.3% | 79.33% |
| | Solid Waste Removal | 83.1% | 83.1% |
| 10(b) | Percentage of households earning less than R1 100 per month with access to free basic services Note: The 100 % refers to number of households who have registered as indigents (earning less than R3 500 per month) and are entitled to free basic services. | 100% of 1 166 registered indigents | 100% of 3 753 registered indigents |
| 10(c) | Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 90% | 91.15% |
| 10(d) | Number of jobs created through municipality's local economic development initiatives including capital projects <ul style="list-style-type: none"> • Work Opportunities • Full Time Equivalent (FTE) | 1 280 1 469.22 | 1 932 |
| 10(e) | Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan | 1 | 10 |
| 10(f) | Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan | 80.79% | 91.4% |
| 10(g) | Financial Viability | | |
| | Debt Coverage | 18 Times | 21.36 Times |
| | Total (net) outstanding service debtors to revenue | 33% | 29.35% |
| | Cost Coverage | 1.77 Months | 2.19 Months |

There were also several results which indicated that Midvaal Local Municipality still remains a top performing municipality. The municipality gave access to basic municipal services to the vast majority of its community and is able to assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

Audit Opinion

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in the other years. The municipality achieved clean audits in 2013/2014, 2014/2015, 2015/2016-financial years. A combination of factors allowed Midvaal to obtain a clean audit.

16. General

The Annual Performance Report, Annexure T to the Annual Report (AR) consists of a combination of information contained in the Annual Financial Statements (AFS), Service Delivery & Budget Implementation Plan (SDBIP) and also the Annual Report (AR).

It is therefore recommended that these reports are all read together, as the one report supplements the other.



A.S.A. DE KLERK
MUNICIPAL MANAGER



Councillor B.M. Baloyi
Executive Mayor: Midvaal Local Municipality

Compiled: 16 Aug 2017
Reviewed: 30 Aug 2017

VOLUME II - ANNUAL FINANCIAL STATEMENTS

Volume II



MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

**Annual financial statements
for the year ended 30 June 2017**

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

General Information

Legal form of entity

Municipality

Municipal demarcation code - GT 422 - Governed by the MFMA (Act 56 of 2003)

Mayoral committee

Executive Mayor

Councillors

B.M. Baloyi

Speaker:

F.W. Peters

Chief Whip:

P.C. Pretorius

Mayoral Committee:

W.F. De Agrella until 1 Aug 2016

S. Nkhi until 1 Aug 2016

S.D. Nyaku from 8 Aug 2016

P. Hutcheson-Pretorius

D.R. Ryder

P.J. Teixeira from 8 Aug 2016

A. Tsukudu

Councillors:

M.Z.P. Boland until 1 Aug 2016

W.F. De Agrella from 8 Aug 2016

J.M. Dlangamandla from 8 Aug 2016

M. Hack until 1 Aug 2016

C. Hartman until 1 Aug 2016

B. Hlengwa from 8 Aug 2016

S.E. Hlengwa until 1 Aug 2016

S.M.A. Janse Van Rensburg from 8 Aug 2016

R.F. Jones until 1 Aug 2016

M.C. Kruger from 8 Aug 2016

J. Mabaso from 8 Aug 2016

M.M. Magagula until 1 Aug 2016

M.M. Mahlangu from 8 Aug 2016

C. Makhandla from 8 Aug 2016

S. Maphalla until 1 Aug 2016

I.S. Matsose until 1 Aug 2016

M.L. Modikeng

H.J. Mokoena until 1 Aug 2016

E. Moleko until 1 Aug 2016

M.J. Mphasawe from 8 Aug 2016

S. Muirhead from 8 Aug 2016

M. Myburgh from 8 Aug 2016

M. Ndebele from 8 Aug 2016

M.G.I. Ngcobo from 8 Aug 2016

H.P. Oosthuysen from 8 Aug 2016

L. Parsonson

C. Pypers

P. Ramushu

M.S. Schoeman

M.B. Tabo from 8 Aug 2016

A. Van Tonder until 1 Aug 2016

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

General Information

| | |
|------------------------------------|---|
| Grading of local authority | Grade 4 Local Municipality - In terms of Remuneration of Public Office Bearers Act. Act 20 of 1998 |
| Accounting Officer | A.S.A. De Klerk |
| Chief Finance Officer (CFO) | A.L. Van Schalkwyk |
| Registered office | Civic Centre 25 Mitchell Street Meyerton Gauteng 1961 |
| Postal address | P O Box 9 Meyerton Gauteng 1960 |
| Bankers | ABSA Bank Limited |
| Auditors | Auditor General South Africa |
| Attorneys | Brian Blignaut Attorneys / Cheadle Thompson & Haysom Inc / Douglas Langley Bennett / Klopper Jonker Attorneys Malherbe Rigg & Ranwell / Mkhabela Huntley Adekeye Inc / Mills & Groenewald / Meise Nkaiseng & Conveyancers / Moodie & Robertson / Nozuko Nxusani Inc / Poswa Inc / Ramushu Mashile Twala Inc / Salijee Du Plessis Van Der Merwe Inc / Taleni-Godi Inc |

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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| Statement of Financial Performance | 6 |
| Statement of Changes in Net Assets | 7 |
| Cash Flow Statement | 8 |
| Statement of Comparison of Budget and Actual Amounts | 9 - 12 |
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Abbreviations

| | |
|-------|---|
| COGTA | Co-operative Governance and Traditional Affairs |
| DBSA | Development Bank of South Africa |
| DSCAR | Department of Sport, Arts, Culture and Recreation |
| GDARD | Gauteng Department of Agriculture and Rural Development |
| GRAP | Generally Recognised Accounting Practice |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant |
| MMC | Member Mayoral Committee |
| SALGA | South African Local Government Association |

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 84, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2017.


A.S.A de Klerk
Municipal Manager
30 August 2017

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

| Figures in Rand | Note(s) | 2017 | 2016 |
|---|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 3 | 9 334 758 | 9 415 823 |
| Consumer debtors | 4 | 112 627 909 | 102 863 646 |
| VAT receivable | 5 | 7 952 807 | 8 791 112 |
| Receivables from non-exchange transactions | 6 | 15 234 089 | 13 673 461 |
| Other receivables from exchange transactions | 7 | 3 959 764 | 5 895 125 |
| Cash and cash equivalents | 8 | 130 090 874 | 99 999 502 |
| | | 279 200 201 | 240 638 669 |
| Non-Current Assets | | | |
| Property, plant and equipment | 9 | 1 981 950 457 | 2 012 136 318 |
| Investment property | 10 | 46 569 574 | 46 565 940 |
| Intangible assets | 11 | 5 958 265 | 1 695 447 |
| Heritage assets | 12 | 18 701 | 18 701 |
| | | 2 034 496 997 | 2 060 416 406 |
| Total Assets | | 2 313 697 198 | 2 301 055 075 |
| Liabilities | | | |
| Current Liabilities | | | |
| External loans | 13 | 16 228 511 | 16 640 653 |
| Finance lease obligation | 14 | 5 934 669 | 5 355 504 |
| Consumer deposits | 15 | 15 315 894 | 13 859 907 |
| Short term portion of long-term liability | 16 | - | 2 251 341 |
| Trade and other payables from exchange transactions | 17 | 96 342 114 | 103 287 347 |
| Unspent conditional grants and receipts | 18 | - | 23 521 |
| | | 133 821 188 | 141 418 273 |
| Non-Current Liabilities | | | |
| External loans | 13 | 124 640 298 | 129 044 137 |
| Finance lease obligation | 14 | 12 918 047 | 15 704 084 |
| Provisions | 19 | 35 988 970 | 29 769 111 |
| Employee benefit obligation | 20 | 16 141 923 | 16 443 605 |
| | | 189 689 238 | 190 960 937 |
| Total Liabilities | | 323 510 426 | 332 379 210 |
| Net Assets | | 1 990 186 772 | 1 968 675 865 |
| Accumulated surplus | | 1 990 186 772 | 1 968 675 865 |

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

| Figures in Rand | Note(s) | 2017 | 2016 |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 21 | 539 591 731 | 480 662 946 |
| Other income | 22 | 23 660 977 | 23 164 565 |
| Interest received - investment | 23 | 10 376 673 | 7 611 156 |
| Interest received - consumer debtors | | 8 312 153 | 11 253 663 |
| Rental of facilities and equipment | | 610 113 | 1 359 303 |
| Gain on disposal of assets | | 144 905 | 372 206 |
| Total revenue from exchange transactions | | 582 696 552 | 524 423 839 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 24 | 164 774 788 | 146 376 223 |
| Transfer revenue | | | |
| Government grants & subsidies | 25 | 133 853 677 | 122 880 707 |
| Fines, penalties and forfeits | 26 | 49 028 621 | 48 424 110 |
| Public contributions and donations | | 12 901 624 | 6 109 043 |
| Developers contributions | 27 | 9 638 844 | 11 157 552 |
| Total revenue from non-exchange transactions | | 370 197 554 | 334 947 635 |
| Total revenue | 28 | 952 894 106 | 859 371 474 |
| Expenditure | | | |
| Cost of sales | 29 | (261 654 882) | (239 020 021) |
| Employee related costs | 30 | (211 112 656) | (203 225 012) |
| Depreciation and amortisation | 31 | (116 485 634) | (112 758 461) |
| Debt impairment | 32 | (90 941 510) | (83 124 493) |
| General expenses | 33 | (54 527 833) | (50 013 107) |
| Repairs and maintenance | | (50 705 738) | (51 359 630) |
| Contracted services | 34 | (53 022 626) | (48 944 670) |
| Electrical distribution losses | 35 | (27 264 020) | (25 220 919) |
| Water non revenue | 36 | (26 224 439) | (24 696 876) |
| Finance costs | 37 | (18 795 842) | (18 887 515) |
| Remuneration of councillors | 38 | (10 627 671) | (9 548 510) |
| Cost of free basic services | 39 | (9 704 530) | (8 324 453) |
| Loss on disposal of assets | | (173 973) | (656 800) |
| Grants and subsidies paid | | (141 845) | (220 620) |
| Total expenditure | | (931 383 199) | (876 001 087) |
| Operating surplus (deficit) | | 21 510 907 | (16 629 613) |
| Surplus (deficit) for the year | | 21 510 907 | (16 629 613) |

MIDVAAL LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|--------------------------------|------------------------|----------------------|
| Balance at 01 July 2015 | 1 985 305 478 | 1 985 305 478 |
| Changes in net assets | | |
| Deficit for the year | (16 629 613) | (16 629 613) |
| Total changes | (16 629 613) | (16 629 613) |
| Balance at 01 July 2016 | 1 968 675 865 | 1 968 675 865 |
| Changes in net assets | | |
| Surplus for the year | 21 510 907 | 21 510 907 |
| Total changes | 21 510 907 | 21 510 907 |
| Balance at 30 June 2017 | 1 990 186 772 | 1 990 186 772 |

MIDVAAL LOCAL MUNICIPALITY

(Registration number GT 422)

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

| Figures in Rand | Note(s) | 2017 | 2016 |
|---|---------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Cash receipts from ratepayers, government and other | | 389 944 688 | 370 725 162 |
| Cash receipts from services / charges | | 444 165 579 | 393 634 313 |
| Interest income | | 10 376 673 | 7 611 156 |
| | | 844 486 940 | 771 970 631 |
| Payments | | | |
| Cash paid to employees | | (221 740 317) | (212 773 516) |
| Cash paid to suppliers and other | | (490 214 811) | (424 287 513) |
| Finance costs | | (18 795 842) | (18 887 515) |
| | | (730 750 970) | (655 948 544) |
| Net cash flows from operating activities | 57 | 113 735 970 | 116 022 087 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (72 608 102) | (79 856 975) |
| Proceeds from sale of property, plant and equipment | 9 | 346 908 | 725 224 |
| Purchase of investment property | 10 | (31 634) | (9 940) |
| Proceeds from sale of investment property | 10 | - | 374 000 |
| Purchase of intangible assets | 11 | (4 328 909) | (1 307 679) |
| Net cash flows from investing activities | | (76 621 737) | (80 075 370) |
| Cash flows from financing activities | | | |
| Decrease in external loans | | (4 815 981) | (15 114 248) |
| (Decrease) / increase in finance leases | | (2 206 880) | 5 898 168 |
| Decrease in other long term liabilities | | - | (2 251 341) |
| Net cash flows from financing activities | | (7 022 861) | (11 467 421) |
| Net increase / (decrease) in cash and cash equivalents | | 30 091 372 | 24 479 296 |
| Cash and cash equivalents at the beginning of the year | | 99 999 502 | 75 520 206 |
| Cash and cash equivalents at the end of the year | 8 | 130 090 874 | 99 999 502 |

MIDVAAL LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reason |
|---|--------------------|---------------------|--------------------|------------------------------------|--|---------------------------------------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 563 738 438 | (25 176 994) | 538 561 444 | 539 591 731 | 1 030 287 | Minor deviation |
| Interest received - consumer debtors | 8 400 000 | (1 500 000) | 6 900 000 | 8 312 153 | 1 412 153 | Low uptake on interest waiver scheme |
| Gain on disposal of assets | 100 000 | - | 100 000 | 144 905 | 44 905 | Unpredictable revenue source |
| Rental of facilities and equipment | 1 404 000 | - | 1 404 000 | 610 113 | (793 887) | Low demand |
| Other income | 25 980 758 | (1 003 000) | 24 977 758 | 23 660 977 | (1 316 781) | Minor deviation |
| Interest received - investment | 3 800 000 | 1 500 000 | 5 300 000 | 10 376 673 | 5 076 673 | Higher cash balances than anticipated |
| Total revenue from exchange transactions | 603 423 196 | (26 179 994) | 577 243 202 | 582 696 552 | 5 453 350 | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 154 255 330 | 8 052 834 | 162 308 164 | 164 774 788 | 2 466 624 | Minor deviation |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 136 621 947 | 500 000 | 137 121 947 | 133 853 677 | (3 268 270) | Minor deviation |
| Public contributions and donations | 5 110 831 | 4 489 114 | 9 599 945 | 12 901 624 | 3 301 679 | Slow uptake in development |
| Fines, penalties and forfeits | 52 822 604 | - | 52 822 604 | 49 028 621 | (3 793 983) | Minor deviation |
| Developers contribution | 11 100 000 | (1 480 000) | 9 620 000 | 9 638 844 | 18 844 | Slow uptake in development |
| Total revenue from non-exchange transactions | 359 910 712 | 11 561 948 | 371 472 660 | 370 197 554 | (1 275 106) | |
| Total revenue | 963 333 908 | (14 618 046) | 948 715 862 | 952 894 106 | 4 178 244 | |
| Expenditure | | | | | | |
| Employee related costs | (225 741 636) | 1 168 107 | (224 573 529) | (211 112 656) | 13 460 873 | Minor deviation |
| Remuneration of councillors | (10 741 406) | - | (10 741 406) | (10 627 671) | 113 735 | Minor deviation |
| Electricity distribution losses | (26 262 216) | - | (26 262 216) | (27 264 020) | (1 001 804) | Minor deviation |
| Grants and subsidies paid | (220 000) | (143 975) | (363 975) | (141 845) | 222 130 | Minor deviation |
| Depreciation and amortisation | (144 869 000) | - | (144 869 000) | (116 485 634) | 28 383 366 | Budget overstated |
| Finance costs | (17 920 843) | - | (17 920 843) | (18 795 842) | (874 999) | Landfill rehab |
| Cost of free basic services | (10 415 394) | - | (10 415 394) | (9 704 530) | 710 864 | Minor deviation |
| Debt Impairment | (85 823 679) | 5 431 694 | (80 391 985) | (90 941 510) | (10 549 525) | Indigent policy change |
| Loss on sale of assets | - | (100 000) | (100 000) | (173 973) | (73 973) | Unpredictable expenditure item |
| Repairs and maintenance | (54 909 078) | (1 584 498) | (56 493 576) | (50 705 738) | 5 787 838 | Minor deviation |

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reason |
|--|------------------------|-------------------|------------------------|--|---|---|
| Figures in Rand | | | | | | |
| Bulk purchases | (285 056 874) | 10 274 501 | (274 782 373) | (261 654 882) | 13 127 491 | Minor deviation Cost curtailment Water loss programme |
| Contracted services | (63 225 705) | 1 934 104 | (61 291 601) | (53 022 626) | 8 268 975 | |
| Non revenue water | (29 101 211) | 334 000 | (28 767 211) | (26 224 439) | 2 542 772 | |
| Internal consumption | (917) | 917 | - | - | - | |
| General expenses | (62 208 976) | (953 465) | (63 162 441) | (54 527 833) | 8 634 608 | |
| Total expenditure | (1 016 496 935) | 16 361 385 | (1 000 135 550) | (931 383 199) | 68 752 351 | |
| Surplus / (Deficit) for the year | (53 163 027) | 1 743 339 | (51 419 688) | 21 510 907 | 72 930 595 | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | (53 163 027) | 1 743 339 | (51 419 688) | 21 510 907 | 72 930 595 | |

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reason |
|--|----------------------|--------------------|----------------------|--|---|--|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Inventories | 8 440 421 | - | 8 440 421 | 9 334 758 | 894 337 | Minor deviation |
| Other receivables from exchange transactions | 3 082 190 | - | 3 082 190 | 3 959 764 | 877 574 | Minor deviation |
| Receivables from non-exchange transactions | 2 836 222 | - | 2 836 222 | 15 234 089 | 12 397 867 | Increase in traffic fines |
| VAT receivable | 11 577 708 | - | 11 577 708 | 7 952 807 | (3 624 901) | Timing of payments |
| Consumer debtors | 165 967 998 | - | 165 967 998 | 112 627 909 | (53 340 089) | Write off of debt for indigents |
| Cash and cash equivalents | 44 717 945 | (2 784 765) | 41 933 180 | 130 090 874 | 88 157 694 | Expenditure lower than anticipated |
| | 236 622 484 | (2 784 765) | 233 837 719 | 279 200 201 | 45 362 482 | |
| Non-Current Assets | | | | | | |
| Investment property | 46 930 000 | - | 46 930 000 | 46 569 574 | (360 426) | Minor variances |
| Property, plant and equipment | 1 925 222 095 | 10 724 185 | 1 935 946 280 | 1 981 950 457 | 46 004 177 | Lower depreciation cost |
| Intangible assets | 496 941 | - | 496 941 | 5 958 265 | 5 461 324 | Asset classification |
| Heritage assets | 18 701 | - | 18 701 | 18 701 | - | None |
| | 1 972 667 737 | 10 724 185 | 1 983 391 922 | 2 034 496 997 | 51 105 075 | |
| Total Assets | 2 209 290 221 | 7 939 420 | 2 217 229 641 | 2 313 697 198 | 96 467 557 | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| External loans | 17 869 122 | - | 17 869 122 | 16 228 511 | (1 640 611) | Minor variances |
| Finance lease obligation | 6 108 722 | - | 6 108 722 | 5 934 669 | (174 053) | Saving on Hp's |
| Trade and other payables from exchange transactions | 116 318 390 | - | 116 318 390 | 96 342 115 | (19 976 275) | Timing of payments |
| Consumer deposits | 13 483 009 | - | 13 483 009 | 15 315 894 | 1 832 885 | Minor variances |
| Provisions | 511 369 | (511 369) | - | - | - | None |
| | 154 290 612 | (511 369) | 153 779 243 | 133 821 189 | (19 958 054) | |
| Non-Current Liabilities | | | | | | |
| External loans | 120 775 013 | 10 681 745 | 131 456 758 | 124 640 298 | (6 816 460) | Minor variances |
| Finance lease obligation | 14 197 922 | (324 999) | 13 872 923 | 12 918 047 | (954 876) | Minor variances |
| Employee benefit obligation | 16 350 021 | - | 16 350 021 | 16 141 923 | (208 098) | Minor variances |

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reason |
|--|----------------------|--------------------|----------------------|--|---|--------------------|
| Figures in Rand | | | | | | |
| Provisions | 33 606 164 | - | 33 606 164 | 35 988 969 | 2 382 805 | Minor variances |
| | 184 929 120 | 10 356 746 | 195 285 866 | 189 689 237 | (5 596 629) | |
| Total Liabilities | 339 219 732 | 9 845 377 | 349 065 109 | 323 510 426 | (25 554 683) | |
| Net Assets | 1 870 070 489 | (1 905 957) | 1 868 164 532 | 1 990 186 772 | 122 022 240 | |
| Net Assets | | | | | | |
| Net Assets Attributable to Owners of Controlling Entity | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 1 870 070 489 | (1 905 957) | 1 868 164 532 | 1 990 186 772 | 122 022 240 | |

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Appropriation Statement

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|--|------------------------|---|--------------------------|--|---|------------------------|----------------------|--------------------------|-------------------|-------------------------------------|--|
| 2017 | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 154 255 330 | 8 052 834 | 162 308 164 | - | - | 162 308 164 | 164 774 788 | | 2 466 624 | 102 % | 107 % |
| Service charges | 563 738 438 | (25 176 994) | 538 561 444 | - | - | 538 561 444 | 539 591 731 | | 1 030 287 | 100 % | 96 % |
| Investment revenue | 3 800 000 | 1 500 000 | 5 300 000 | - | - | 5 300 000 | 10 376 673 | | 5 076 673 | 196 % | 273 % |
| Transfers recognised - operational | 96 252 947 | (928 301) | 95 324 646 | - | - | 95 324 646 | 92 056 376 | | (3 268 270) | 97 % | 96 % |
| Other own revenue | 99 807 362 | (3 983 000) | 95 824 362 | - | - | 95 824 362 | 91 395 613 | | (4 428 749) | 95 % | 92 % |
| Total revenue (excluding capital transfers and contributions) | 917 854 077 | (20 535 461) | 897 318 616 | - | - | 897 318 616 | 898 195 181 | | 876 565 | 100 % | 98 % |
| Employee costs | (225 741 636) | 1 168 107 | (224 573 529) | - | - | (224 573 529) | (211 112 656) | - | 13 460 873 | 94 % | 94 % |
| Remuneration of councillors | (10 741 406) | - | (10 741 406) | - | - | (10 741 406) | (10 627 671) | - | 113 735 | 99 % | 99 % |
| Debt impairment | (85 823 679) | 5 431 694 | (80 391 985) | - | - | (80 391 985) | (90 941 510) | - | (10 549 525) | 113 % | 106 % |
| Depreciation and asset impairment | (144 869 000) | - | (144 869 000) | - | - | (144 869 000) | (116 485 634) | - | 28 383 366 | 80 % | 80 % |
| Finance charges | (17 920 843) | - | (17 920 843) | - | - | (17 920 843) | (18 795 842) | - | (874 999) | 105 % | 105 % |
| Materials and bulk purchases | (285 056 874) | 10 274 501 | (274 782 373) | - | - | (274 782 373) | (261 654 882) | - | 13 127 491 | 95 % | 92 % |
| Transfers and grants | (29 101 211) | 334 000 | (28 767 211) | - | - | (28 767 211) | (26 224 439) | - | 2 542 772 | 91 % | 90 % |
| General expenses | (217 242 286) | (846 917) | (218 089 203) | - | - | (218 089 203) | (195 540 565) | - | 22 548 638 | 90 % | 90 % |
| Total expenditure | (1 016 496 935) | 16 361 385 | (1 000 135 550) | - | - | (1 000 135 550) | (931 383 199) | - | 68 752 351 | 93 % | 92 % |
| Surplus/(Deficit) | (98 642 858) | (4 174 076) | (102 816 934) | - | - | (102 816 934) | (33 188 018) | | 69 628 916 | 32 % | 34 % |

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Appropriation Statement

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and budget s31 of the MFMA) | Final adjustments (i.t.o. s31 of the MFMA) | Shifting of funds (i.t.o. approved policy) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|--|---------------------|--|--|--|---|---------------------|-------------------|--------------------------|-------------------|-------------------------------------|--|
| Transfers recognised - capital | 40 369 000 | 1 428 301 | 41 797 301 | - | - | 41 797 301 | 41 797 301 | | - | 100 % | 104 % |
| Contributions recognised - capital and contributed assets | 5 110 831 | 4 489 114 | 9 599 945 | - | - | 9 599 945 | 12 901 624 | | 3 301 679 | 134 % | 252 % |
| Surplus (Deficit) after capital transfers and contributions | (53 163 027) | 1 743 339 | (51 419 688) | - | - | (51 419 688) | 21 510 907 | | 72 930 595 | (42)% | (40)% |
| Surplus/(Deficit) for the year | (53 163 027) | 1 743 339 | (51 419 688) | - | - | (51 419 688) | 21 510 907 | | 72 930 595 | (42)% | (40)% |

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Appropriation Statement

Figures in Rand

| | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated audited outcome |
|--|-----------------------------------|---|-------------------------|--------------------------|
| 2016 | | | | |
| Financial Performance | | | | |
| Property rates | | | 146 376 223 | |
| Service charges | | | 480 662 946 | |
| Investment revenue | | | 7 611 156 | |
| Transfers recognised - operational | | | 84 176 846 | |
| Other own revenue | | | 95 731 399 | |
| Total revenue (excluding capital transfers and contributions) | | | 814 558 570 | |
| Employee costs | - | - | (203 225 012) | |
| Remuneration of councillors | - | - | (9 548 510) | |
| Debt impairment | - | - | (83 124 493) | |
| Depreciation and asset impairment | - | - | (112 758 461) | |
| Finance charges | - | - | (18 887 515) | |
| Materials and bulk purchases | - | - | (239 020 021) | |
| Transfers and grants | - | - | (24 696 876) | |
| Other expenditure | - | - | (184 740 199) | |
| Total expenditure | - | - | (876 001 087) | |
| Surplus/(Deficit) | | | (61 442 517) | |
| Transfers recognised - capital | | | 38 703 861 | |
| Contributions recognised - capital and contributed assets | | | 6 109 043 | |
| Surplus (Deficit) after capital transfers and contributions | | | (16 629 613) | |
| Surplus/(Deficit) for the year | | | (16 629 613) | |

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

All figures are rounded to the nearest Rand, unless specified otherwise.

1.2 Going concern assumption

These annual financial statements have been prepared on a going concern basis.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. These judgements and sources of estimation uncertainty have been covered in the relevant notes and relevant accounting policies.

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Allowance for slow moving, damaged and obsolete inventories

An assessment is made of net realisable value at the end of each reporting period. A write down of inventory to the lower of cost or net realisable value is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus or deficit.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cash flow projection assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are recognised when:

- The municipality has a present obligation as a result of a past event
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure to be required to settle the present obligation at the reporting date.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the note of Provisions.

Contingencies disclosed in the current year required estimates and judgements. Additional disclosure of these contingent liabilities is included in the note of Contingencies.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the municipality. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Post retirement and other long-term benefits

The present value of the post retirement and other long-term benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement and long-term benefit obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long-term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds. Where there is no deep market in the government bonds with a sufficiently long maturity to match the estimated maturity of all the benefits paid, the municipality uses current market rates of the appropriate term to discount shorter payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post retirement and other long-term benefits are based on current market conditions. Additional information is disclosed in the notes.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for impairment of financial assets

On receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the municipality measures investment property at cost, including transaction costs, once it meets the definition of investment property. Where an investment property was acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

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Accounting Policies

1.4 Investment property (continued)

Cost model

Investment property is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset are depreciated separately.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

| Item | Useful life |
|-----------------|-------------|
| Property - land | Indefinite |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Cost also includes initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Where property, plant and equipment is acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition. The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. Subsequent cost is capitalised when the recognition and measurement criteria of an asset are met.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Accounting Policies

1.5 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual value. The depreciation charge for each period is recognised in surplus or deficit.

The municipality depreciates separately each part of an item of property, plant and equipment that has a cost that is significant in relation to the total cost of the item. Costs of replacing parts are capitalised and the existing parts being replaced are derecognised. Depreciation is calculated using the straight-line method, over the estimated useful lives of the assets.

The depreciation rates are based on the following estimated useful lives:

| Item | Average useful life |
|--|---------------------|
| Land | Indefinite |
| Infrastructure | |
| • Buildings | 30 |
| • Roads and paving | 3 - 50 |
| • Electricity | 3 - 60 |
| • Water | 5 - 55 |
| • Sewerage | 10 - 60 |
| • Landfill site | 17 |
| Community | |
| • Buildings | 30 |
| • Recreational facilities | 20 - 30 |
| • Security | 5 |
| Other property, plant and equipment | |
| • Buildings | 30 |
| • Specialised vehicles | 10 - 30 |
| • Other vehicles | 5 |
| • Furniture and fittings | 10 |
| • Vehicles | 5 |
| • Bins and containers | 5 - 10 |
| • Office equipment | 3 - 10 |
| Capitalised leased assets | |
| • Vehicles | 5 |

The asset management policy contains the details of the components and their specific useful life estimates.

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Accounting Policies

1.5 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

At each reporting date all items of property, plant and equipment are reviewed for any indication that it may be impaired. An impairment exists when an assets' carrying amount is greater than its recoverable amount or recoverable service amount. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal and the carrying value and is recognised in the statement of financial performance.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements.

1.6 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore certain items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.7 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the municipality from which the municipality expects to derive future economic benefits or service potential.

Intangible assets are identifiable when they can be separated from the municipality, i.e. are capable of being separated or divided from the municipality and sold, exchanged, licensed, or when they arise as a result of a contractual or other legal right, excluding those legal rights that arise from statute.

The municipality recognises an intangible asset in its statement of financial position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and the municipality can measure the cost or fair value of the asset reliably.

An intangible asset is measured initially at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at the date.

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1.7 Intangible assets (continued)

The municipality does not recognise internally generated goodwill as an intangible asset. It also does not recognise internally generated brands, mastheads, publishing titles, customer lists and items similar in substance, as intangible assets.

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria.

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

The municipality assesses whether the useful life or service potential of an intangible asset is finite or indefinite. The municipality regards an intangible asset as having an indefinite useful life when there is no foreseeable limit to the period over which the municipality expects the asset to generate net cash inflows or service potential for the municipality. Intangible assets with indefinite useful lives are not amortised.

The useful life of an intangible asset that arises from contractual or legal rights does not exceed the period of the contractual or legal rights, but may be shorter depending on the period over which the municipality expects to use the asset.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

The municipality reviews the amortisation method, useful lives and residual values of intangible assets annually. The estimated useful lives are as follows:

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

| Item | Average useful life |
|-------------------|---------------------|
| Computer software | 3 - 5 years |

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

When the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information of such heritage asset is disclosed in the note - Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

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1.8 Heritage assets (continued)

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises a heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Repairs and maintenance after derecognition

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the annual financial statements.

1.9 Financial instruments

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Other receivables from exchange transactions
Other receivables from non-exchange transactions
Consumer debtors
Cash and cash equivalents

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

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1.9 Financial instruments (continued)

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|--|--|
| Long-term liabilities / external loans | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Finance lease obligations | Financial liability measured at amortised cost |
| Consumer deposits | Financial liability measured at amortised cost |

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

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1.9 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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1.10 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

1.11 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services or held for distribution in the ordinary course of operations.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their cost is measured at their fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value unless distributed through a non-exchange transaction or consumed in the production process of goods to be distributed at no charge or for a nominal charge, in which case they are measured at the lower of cost and current replacement cost.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. The cost of inventories is assigned by using the first-in, first-out (FIFO) formula, except for water balance which is determined at cost at the reporting date due to it being measured at reporting date.

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Accounting Policies

1.11 Inventories (continued)

Redundant and slow-moving inventories are identified and written down/written off. Inventories identified for write down/write off, but for which a council resolution, to authorise the write down/write off, has not yet been obtained, are provided for as a provision for obsolete stock. Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented municipality, it generates commercial return. Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented municipality.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

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1.13 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets' remaining service potential.

The present value of the remaining service potential of non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

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1.14 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

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1.14 Employee benefits (continued)

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The municipality accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements.

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

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1.14 Employee benefits (continued)

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

The municipality provides post-retirement health care benefits upon retirement to some retirees. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

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1.14 Employee benefits (continued)

Other long term employee benefits

The municipality has an obligation to provide long term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long term service awards are recognised in the statement of financial performance

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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1.15 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense. A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes in the Financial Statements.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy and note on impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.16 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. There are areas within the municipality where an un-metered water tariff is applied based on estimated consumption as per promulgated tariffs. Revenue for these is recognised when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.17 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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1.17 Revenue from non-exchange transactions (continued)

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

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1.17 Revenue from non-exchange transactions (continued)

Transfers (Including grants)

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations (Including goods in-kind)

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and / or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

1.18 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The municipality does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date. Where the non-adjusting event is material and non-disclosure could influence the economic decisions of the users, additional disclosure will be provided.

1.19 Commitments

Items are classified as commitments when a municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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Accounting Policies

1.19 Commitments (continued)

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the annual financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The municipality discloses each class of capital assets (PPE, Investment properties, Intangible assets and Heritage assets) recognised in the financial statements, as well as future minimum lease payments under non-cancellable operating leases, for each of the following periods:

- Not later than one year,
- Later than one year and not later than five years, and
- Later than five years:

1.20 Budget information

The municipality is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which are given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2016 to 30 June 2017.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the statement of comparison of budget and actual amounts.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other municipality, or exercise significant influence over the other municipality, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties include key management personnel, close members of the family of key management personnel and councillors.

Key management personnel include all Heads of department or members of the municipal council of the reporting municipality where that council has jurisdiction. The Council, together with the Municipal Manager and Section 57 employees has authority and responsibility to plan and control the activities of the municipality, to manage the resources and for the overall achievement of municipal objectives.

Close members of the family of an individual are close relatives of the individual or members of the individual's immediate family who can be expected to influence, or be influenced by, that individual in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

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1.23 VAT

The municipality is registered with the South African Revenue Services (SARS) for Value Added Tax (VAT) on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991).

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason of reclassification is disclosed. Where material prior period errors have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

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1.27 Statutory receivables (continued)

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

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Accounting Policies

1.27 Statutory receivables (continued)

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.28 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 16 (as revised 2015): Investment Property

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the annual financial statements is now required.

The effective date of the amendment is for years beginning on or after 01 April 2016.

The municipality has adopted the amendment for the first time in the 2017 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

GRAP 17 (as revised 2015): Property, Plant and Equipment

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the annual financial statements is now required.

The effective date of the amendment is for years beginning on or after 01 April 2016.

The municipality has adopted the amendment for the first time in the 2017 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate annual financial statements.

It furthermore covers definitions, preparation of separate annual financial statements, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated annual financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers definitions, control, accounting requirements, investment entities: fair value requirement, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers definitions, significant influence, equity method, application of the equity method, separate financial statements, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers definitions, joint arrangements, annual financial statements and parties to a joint arrangement, separate annual financial statements, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

MIDVAAL LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its annual financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers definitions, disclosing information about interests in other entities, significant judgements and assumptions, Investment entity status, interests in controlled entities, interests in joint arrangements and associates, interests in structured entities that are not consolidated, non-qualitative ownership interests, controlling interests acquired with the intention of disposal, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 110: Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers definitions, recognition, measurement, depreciation, impairment, compensation for impairment, transfers, derecognition, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in the budget documentation will usually reflect the segments for which a municipality reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of a municipality that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by a municipality within a particular region.

This Standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019 annual financial statements.

GRAP 16 (as amended 2016): Investment Property

Amendments to the Standard of GRAP on Investment Property resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IAS 40 on Investment Property (IAS 40) as a result of the IASB's amendments on Annual Improvements to IFRSs 2011 – 2013 Cycle issued in December 2013.

The most significant changes to the Standard are:

- General improvements: to clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IASB amendments: to clarify the interrelationship between the Standards of GRAP on Transfer of Functions Between Entities Not Under Common Control and Investment Property when classifying investment property or owner-occupied property.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, Plant and Equipment resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: to clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: to clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of property, plant, and equipment is revalued; To clarify acceptable methods of depreciating assets; to align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology; and to define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 27 (as amended 2016): Agriculture

Amendments to the Standard of GRAP on Agriculture resulted from changes made to IPSAS 27 on Agriculture (IPSAS 27) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27. In addition to the changes made by the IPSASB, a consequential amendment has been made to GRAP 103 on Heritage Assets. The IPSASB currently does not have a pronouncement on this topic.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

Amendments to the Standard of GRAP on Impairment of Non-cash Generating Assets resulted from changes made to IPSAS 21 on Impairment of Non-Cash-Generating Assets (IPSAS 21) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

Amendments Changes to the Standard of GRAP on Impairment of Cash Generating Assets resulted from changes made to IPSAS 26 on Impairment of Cash-Generating Assets (IPSAS 26) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from editorial changes to the original text.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 106 (as amended 2016): Transfers of Functions Between Entities Not under Common Control

Amendments to the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control resulted from changes made to IFRS 3 on Business Combinations (IFRS 3) as a result of the IASB's amendments on Annual Improvements to IFRSs 2010 – 2012 Cycle issued in December 2013.

The most significant changes to the Standard are:

- IASB amendments: To require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting period.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 20: Related Parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The standard furthermore states that a related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers definitions, identifying whether an entity is a principal or agent, accounting by a principal or agent, presentation, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It furthermore covers: definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is not yet set by the Minister of Finance.

The municipality expects to adopt the interpretation for the first time when the Minister sets the effective date for the interpretation.

MIDVAAL LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

3. Inventories

| | | |
|-------------------------------------|------------------|------------------|
| Maintenance materials - electricity | 7 099 775 | 7 564 594 |
| Maintenance materials - water | 1 651 862 | 1 339 867 |
| Water | 369 926 | 372 485 |
| Fuel (diesel, petrol) | 213 195 | 138 877 |
| | 9 334 758 | 9 415 823 |

4. Consumer debtors

Gross balances

| | | |
|-------------|--------------------|--------------------|
| Rates | 55 506 114 | 45 411 448 |
| Electricity | 28 340 749 | 24 582 671 |
| Water | 58 746 759 | 56 829 937 |
| Sewerage | 9 252 151 | 20 284 494 |
| Refuse | 10 698 315 | 16 622 767 |
| Other | 54 904 535 | 52 289 293 |
| | 217 448 623 | 216 020 610 |

Less: Allowance for impairment

| | | |
|-------------|----------------------|----------------------|
| Rates | (27 955 153) | (23 426 639) |
| Electricity | (5 878 358) | (6 738 104) |
| Water | (30 578 875) | (32 466 227) |
| Sewerage | (4 388 549) | (11 982 754) |
| Refuse | (5 663 663) | (9 712 051) |
| Other | (30 356 116) | (28 831 189) |
| | (104 820 714) | (113 156 964) |

Net balance

| | | |
|-------------|--------------------|--------------------|
| Rates | 27 550 961 | 21 984 809 |
| Electricity | 22 462 391 | 17 844 567 |
| Water | 28 167 884 | 24 363 710 |
| Sewerage | 4 863 602 | 8 301 740 |
| Refuse | 5 034 652 | 6 910 716 |
| Other | 24 548 419 | 23 458 104 |
| | 112 627 909 | 102 863 646 |

Rates

| | | |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 6 276 833 | 7 145 698 |
| 31 - 60 days | 2 445 350 | 941 929 |
| 61 - 90 days | 1 103 130 | 728 971 |
| 91 - 120 days | 797 955 | 515 828 |
| 121 - 365 days | 8 280 446 | 4 071 726 |
| > 365 days | 8 647 247 | 8 580 657 |
| | 27 550 961 | 21 984 809 |

Electricity

| | | |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 16 181 113 | 12 953 262 |
| 31 - 60 days | 1 980 640 | 1 073 431 |
| 61 - 90 days | 488 700 | 240 331 |
| 91 - 120 days | 209 385 | 142 665 |
| 121 - 365 days | 1 430 735 | 900 142 |
| > 365 days | 2 171 818 | 2 534 736 |
| | 22 462 391 | 17 844 567 |

MIDVAAL LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

2017

2016

4. Consumer debtors (continued)

Water

| | | |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 9 644 057 | 3 488 607 |
| 31 - 60 days | 3 230 778 | 807 964 |
| 61 - 90 days | 1 264 027 | 562 448 |
| 91 - 120 days | 603 246 | 396 093 |
| 121 - 365 days | 3 416 673 | 2 779 583 |
| > 365 days | 10 009 103 | 16 329 015 |
| | 28 167 884 | 24 363 710 |

Sewerage

| | | |
|-----------------------|------------------|------------------|
| Current (0 - 30 days) | 1 464 099 | 1 469 550 |
| 31 - 60 days | 443 312 | 173 258 |
| 61 - 90 days | 182 139 | 118 687 |
| 91 - 120 days | 175 983 | 96 267 |
| 121 - 365 days | 1 192 732 | 742 174 |
| > 365 days | 1 405 337 | 5 701 804 |
| | 4 863 602 | 8 301 740 |

Refuse

| | | |
|-----------------------|------------------|------------------|
| Current (0 - 30 days) | 1 276 006 | 1 439 387 |
| 31 - 60 days | 344 614 | 170 062 |
| 61 - 90 days | 209 235 | 237 457 |
| 91 - 120 days | 157 661 | 183 250 |
| 121 - 365 days | 1 334 697 | 789 709 |
| > 365 days | 1 712 439 | 4 090 851 |
| | 5 034 652 | 6 910 716 |

Other

| | | |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 7 256 053 | 5 369 001 |
| 31 - 60 days | 826 819 | 157 942 |
| 61 - 90 days | 475 301 | 183 738 |
| 91 - 120 days | 406 161 | 175 301 |
| 121 - 365 days | 7 233 118 | 7 148 795 |
| > 365 days | 8 350 967 | 10 423 327 |
| | 24 548 419 | 23 458 104 |

Summary of debtors by customer classification

Residential

| | | |
|--------------------------------|---------------------|----------------------|
| Current (0 - 30 days) | 28 339 112 | 21 825 580 |
| 31 - 60 days | 5 808 309 | 3 054 784 |
| 61 - 90 days | 4 523 849 | 2 605 406 |
| 91 - 120 days | 2 812 990 | 2 632 511 |
| 121 - 365 days | 45 173 666 | 29 364 195 |
| > 365 days | 90 626 872 | 127 131 586 |
| | 177 284 798 | 186 614 062 |
| Less: Allowance for impairment | (96 148 750) | (107 116 259) |
| | 81 136 048 | 79 497 803 |

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

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2017

2016

4. Consumer debtors (continued)

Industrial/commercial

| | | |
|--------------------------------|-------------------|-------------------|
| Current (0 - 30 days) | 13 657 321 | 11 363 277 |
| 31 - 60 days | 3 807 290 | 348 882 |
| 61 - 90 days | 296 136 | 319 799 |
| 91 - 120 days | 524 458 | 155 299 |
| 121 - 365 days | 7 312 150 | 2 316 020 |
| > 365 days | 10 223 642 | 9 390 175 |
| | 35 820 997 | 23 893 452 |
| Less: Allowance for impairment | (8 668 202) | (6 006 805) |
| | 27 152 795 | 17 886 647 |

National and provincial government

| | | |
|--------------------------------|------------------|------------------|
| Current (0 - 30 days) | 713 372 | 332 443 |
| 31 - 60 days | 285 859 | 580 927 |
| 61 - 90 days | 61 584 | 115 978 |
| 91 - 120 days | 37 228 | 67 150 |
| 121 - 365 days | 627 436 | 1 143 052 |
| > 365 days | 2 617 350 | 3 273 543 |
| | 4 342 829 | 5 513 093 |
| Less: Allowance for impairment | (3 762) | (33 900) |
| | 4 339 067 | 5 479 193 |

Total

| | | |
|--------------------------------|--------------------|--------------------|
| Current (0 - 30 days) | 42 709 804 | 33 521 302 |
| 31 - 60 days | 9 901 459 | 3 984 594 |
| 61 - 90 days | 4 881 569 | 3 041 183 |
| 91 - 120 days | 3 374 676 | 2 854 960 |
| 121 - 365 days | 53 113 252 | 32 823 267 |
| > 365 days | 103 467 863 | 139 795 304 |
| | 217 448 623 | 216 020 610 |
| Less: Allowance for impairment | (104 820 714) | (113 156 964) |
| | 112 627 909 | 102 863 646 |

Less: Allowance for impairment

| | | |
|----------------|----------------------|----------------------|
| 31 - 60 days | (1 241 589) | (1 655 797) |
| 61 - 90 days | (1 159 038) | (660 009) |
| 91 - 120 days | (1 024 283) | (969 550) |
| 121 - 365 days | (30 224 851) | (1 345 558) |
| > 365 days | (71 170 953) | (108 526 050) |
| | (104 820 714) | (113 156 964) |

Reconciliation of allowance for impairment

| | | |
|---|----------------------|----------------------|
| Balance at beginning of the year | (113 156 964) | (89 464 518) |
| Contributions to allowance | (55 711 131) | (48 124 495) |
| Debt impairment written off against allowance | 64 047 381 | 1 390 281 |
| Reversal of allowance | - | 23 041 768 |
| | (104 820 714) | (113 156 964) |

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|-----------------|------|------|

4. Consumer debtors (continued)

Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Consumer debtors impaired

As of 30 June 2017, ageing consumer debtors of R104 820 714 - (2016: R113 156 964) were impaired and provided for.

5. VAT receivable

| | | |
|------|-----------|-----------|
| SARS | 7 952 807 | 8 791 112 |
|------|-----------|-----------|

6. Receivables from non-exchange transactions

| | | |
|---|-------------------|-------------------|
| Traffic fines | 11 640 749 | 9 297 418 |
| Other receivables from non-exchange revenue | 1 650 391 | 3 212 069 |
| Government grants and subsidies | 1 942 949 | 1 163 974 |
| | 15 234 089 | 13 673 461 |

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables from non-exchange transactions impaired

As of 30 June 2017, other receivables from non-exchange transactions of R35 230 379 - (2016: R35 000 000) were impaired and provided for.

An amount of R2 354 392 has been reduced or cancelled during 2017.

The ageing of these traffic fines are as follows:

| | | |
|-------|-----------|-----------|
| < 365 | 7 671 171 | 6 108 100 |
| > 365 | 3 969 578 | 3 189 318 |

7. Other receivables from exchange transactions

| | | |
|---|------------------|------------------|
| Sundry debtors | 2 824 691 | 4 613 974 |
| Deposits paid on purchase of properties | 995 963 | 1 021 948 |
| Rentals | 63 260 | 206 923 |
| Pre-paid expenses | 75 850 | 52 280 |
| | 3 959 764 | 5 895 125 |

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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8. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------------------|--------------------|-------------------|
| Bank balances | 129 741 204 | 99 670 402 |
| Other cash and cash equivalents | 349 670 | 329 100 |
| | 130 090 874 | 99 999 502 |

Current Account (Primary bank account): ABSA Bank Ltd - Public Sector Gauteng East Branch

Current Account (Traffic fines): First National Bank - Meyerton Branch and ABSA Bank Ltd - Public Sector Gauteng East Branch

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default.

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|------------------------------|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2017 | 30 June 2016 | 30 June 2015 |
| ABSA Bank Ltd | 132 728 496 | 99 628 679 | 77 395 330 | 129 643 093 | 99 630 294 | 75 020 569 |
| FNB | 87 757 | 40 108 | 110 588 | 87 757 | 40 108 | 111 597 |
| ABSA Bank Ltd | 10 354 | - | - | 10 354 | - | - |
| Total | 132 826 607 | 99 668 787 | 77 505 918 | 129 741 204 | 99 670 402 | 75 132 166 |

Guarantees held in lieu of electricity and water deposits:

| | | |
|-------------------------------------|------------------|-------------------|
| Itron / Ontec | - | 13 350 000 |
| Sedibeng Brewery Pty Ltd / Heineken | 7 109 000 | 7 109 000 |
| Other | 340 200 | 340 200 |
| | 7 449 200 | 20 799 200 |

9. Property, plant and equipment

| | 2017 | | | 2016 | | |
|-------------------------------------|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 116 038 665 | - | 116 038 665 | 106 159 749 | - | 106 159 749 |
| Infrastructure | 2 642 760 965 | (917 271 538) | 1 725 489 427 | 2 582 257 537 | (815 086 463) | 1 767 171 074 |
| Community | 140 585 722 | (56 108 702) | 84 477 020 | 136 813 065 | (50 464 600) | 86 348 465 |
| Other property, plant and equipment | 70 816 107 | (37 636 311) | 33 179 796 | 60 044 475 | (33 915 707) | 26 128 768 |
| Motor vehicles - leased | 35 793 232 | (13 027 683) | 22 765 549 | 35 793 233 | (9 464 971) | 26 328 262 |
| Total | 3 005 994 691 | (1 024 044 234) | 1 981 950 457 | 2 921 068 059 | (908 931 741) | 2 012 136 318 |

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9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

| | Opening balance | Additions | Disposals | Re- classificati on | Depreciation and impairment loss | Total |
|--|----------------------|-------------------|------------------|---------------------------|---|----------------------|
| Land | 106 159 749 | 9 930 000 | - | (51 084) | - | 116 038 665 |
| Infrastructure | 1 767 171 074 | 58 148 940 | (3 072) | 2 157 706 | (101 985 221) | 1 725 489 427 |
| Community | 86 348 465 | 6 130 506 | - | (2 157 706) | (5 844 245) | 84 477 020 |
| Other property, plant and equipment | 26 128 768 | 12 372 213 | (344 903) | - | (4 976 282) | 33 179 796 |
| Motor vehicles - leased | 26 328 261 | - | - | - | (3 562 712) | 22 765 549 |
| | 2 012 136 317 | 86 581 659 | (347 975) | (51 084) | (116 368 460) | 1 981 950 457 |

Reconciliation of property, plant and equipment - 2016

| | Opening balance | Additions | Disposals | Depreciation and Impairment loss | Total |
|--|----------------------|-------------------|------------------|---|----------------------|
| Land | 106 451 463 | 51 086 | (342 800) | - | 106 159 749 |
| Infrastructure | 1 807 153 528 | 59 809 137 | - | (99 791 591) | 1 767 171 074 |
| Community Assets | 86 225 049 | 6 073 604 | - | (5 950 188) | 86 348 465 |
| Other property, plant and equipment | 22 675 529 | 7 702 501 | (353 016) | (3 896 246) | 26 128 768 |
| Motor vehicles - leased | 17 906 591 | 11 432 933 | - | (3 011 263) | 26 328 261 |
| | 2 040 412 160 | 85 069 261 | (695 816) | (112 649 288) | 2 012 136 317 |

Pledged as security

No portion of property, plant and equipment has been pledged as securities for liabilities, other than obligations under finance leases that are secured by the lessor's charge over the leased assets.

During the year re-classification of land amounting to R51 084 were included in the above and were classified as intangible assets.

Work-in-Progress:

There was no project that took significantly longer to complete than expected or has been halted during the current reporting period.

Reconciliation of Work-in-Progress 2017

| | Included within Infrastructure | Total |
|---|--------------------------------------|--------------------|
| Opening balance | 78 912 509 | 78 912 509 |
| Movement for the year: community assets | 2 126 640 | 2 126 640 |
| Movement for the year: infrastructure | 20 430 328 | 20 430 328 |
| | 101 469 477 | 101 469 477 |

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9. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2016

| | Included within Infrastructure | Total |
|-----------------------|-----------------------------------|-------------------|
| Opening balance | 60 068 950 | 60 068 950 |
| Movement for the year | 18 843 559 | 18 843 559 |
| | 78 912 509 | 78 912 509 |

Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance

| | | |
|------------------|-------------------|-------------------|
| Infrastructure | 34 328 478 | 33 376 221 |
| Community assets | 6 330 150 | 6 712 499 |
| Other | 10 047 111 | 11 270 910 |
| | 50 705 739 | 51 359 630 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

RDP Houses

In addition to the property, plant and equipment above, the municipality has land on which RDP houses have been built. The land is still registered in the deeds office in the name of the municipality. The municipality does not have control over these properties and it is therefore not recognised as assets as it does not comply with the definition of assets as per GRAP 17.

Total value: R16 200 000 (2016: R16 200 000).

10. Investment property

| | 2017 | | | 2016 | | |
|-------------|---------------------|--|----------------|---------------------|--|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Vacant land | 46 569 574 | - | 46 569 574 | 46 565 940 | - | 46 565 940 |

Reconciliation of investment property - 2017

| | Opening balance | Additions | Disposals | Total |
|-------------|--------------------|-----------|-----------|------------|
| Vacant land | 46 565 940 | 31 634 | (28 000) | 46 569 574 |

Reconciliation of investment property - 2016

| | Opening balance | Additions | Disposals | Total |
|-------------|--------------------|-----------|-----------|------------|
| Vacant land | 46 930 000 | 9 940 | (374 000) | 46 565 940 |

Pledged as security

No portion of investment properties has been pledged as securities for liabilities.

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10. Investment property (continued)

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

During the year no repairs and maintenance was incurred on investment properties.

11. Intangible assets

| | 2017 | | | 2016 | | |
|--------------------------------|---------------------|--|----------------|---------------------|--|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software / servitudes | 6 404 938 | (446 673) | 5 958 265 | 2 024 945 | (329 498) | 1 695 447 |

Reconciliation of intangible assets - 2017

| | Opening balance | Additions | Re- classification | Amortisation | Total |
|--------------------------------|--------------------|-----------|-----------------------|--------------|-----------|
| Computer software / servitudes | 1 695 447 | 4 328 909 | 51 084 | (117 175) | 5 958 265 |

Reconciliation of intangible assets - 2016

| | Opening balance | Additions | Amortisation | Total |
|--------------------------------|--------------------|-----------|--------------|-----------|
| Computer software / servitudes | 496 941 | 1 307 679 | (109 173) | 1 695 447 |

Pledged as security

No portion of Intangible assets has been pledged as securities for liabilities.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

12. Heritage assets

| | 2017 | | | 2016 | | |
|-----------------------|---------------------|----------------------------------|----------------|---------------------|----------------------------------|----------------|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Other heritage assets | 18 701 | - | 18 701 | 18 701 | - | 18 701 |

Reconciliation of heritage assets 2017

| | Opening balance | Total |
|-----------------------|--------------------|--------|
| Other heritage assets | 18 701 | 18 701 |

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12. Heritage assets (continued)

Reconciliation of heritage assets 2016

| | Opening balance | Total |
|-----------------------|--------------------|--------|
| Other heritage assets | 18 701 | 18 701 |

Pledged as security

No portion of heritage assets has been pledged as securities for liabilities.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

During the year no repairs and maintenance was incurred on heritage assets.

13. External loans

At amortised cost

| | | |
|----------------|-------------|-------------|
| External loans | 140 868 809 | 145 684 790 |
|----------------|-------------|-------------|

The loans are repayable in semi-annual installments. Interest is charged at rates varying between 6.75% and 13.54%

Non-current liabilities

| | | |
|-------------------|-------------|-------------|
| At amortised cost | 124 640 298 | 129 044 137 |
|-------------------|-------------|-------------|

Current liabilities

| | | |
|-------------------|------------|------------|
| At amortised cost | 16 228 511 | 16 640 653 |
|-------------------|------------|------------|

| Loan Number | Redeemable | Balance at 30 June 2016 | Received during the period | Redeemed written off during the period | Balance at 30 June 2017 |
|-------------------|--------------------|----------------------------|----------------------------------|---|----------------------------|
| Standard Bank - 1 | 20 000 000 | 15 931 492 | - | 1 721 081 | 14 210 411 |
| Standard Bank - 2 | 34 000 000 | 25 765 652 | - | 2 783 467 | 22 982 185 |
| Standard Bank - 3 | 26 000 000 | 20 354 864 | - | 2 198 938 | 18 155 926 |
| DBSA 61000374 | 10 390 100 | 4 207 357 | - | 916 458 | 3 290 899 |
| DBSA 61000377 | 17 840 900 | 2 581 249 | - | 2 581 249 | - |
| DBSA 61000801 | 13 100 000 | 8 502 583 | - | 871 308 | 7 631 275 |
| DBSA 61000802 | 38 150 000 | 24 733 159 | - | 2 534 547 | 22 198 612 |
| DBSA 61000803 | 4 950 000 | 3 237 535 | - | 331 769 | 2 905 766 |
| DBSA 61000804 | 13 800 000 | 8 951 068 | - | 917 267 | 8 033 801 |
| DBSA 61000961 | 15 700 000 | 11 943 868 | - | 817 357 | 11 126 511 |
| DBSA 61000962 | 12 650 000 | 11 000 242 | - | 361 696 | 10 638 546 |
| DBSA 61000963 | 1 500 000 | 1 410 396 | - | 12 847 | 1 397 548 |
| DBSA 61000964 | 8 800 000 | 5 978 216 | - | 541 212 | 5 437 004 |
| DBSA 61000965 | 1 350 000 | 1 087 109 | - | 51 458 | 1 035 651 |
| ABSA | 12 000 000 | - | 12 000 000 | 175 326 | 11 824 674 |
| | 230 231 000 | 145 684 790 | 12 000 000 | 16 815 980 | 140 868 809 |

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14. Finance lease obligation

Minimum lease payments due

| | | |
|-------------------------------------|------------|------------|
| - within one year | 7 534 652 | 7 166 583 |
| - in second to fifth year inclusive | 14 684 804 | 18 190 307 |

less: future finance charges

| | |
|-------------|-------------|
| 22 219 456 | 25 356 890 |
| (3 366 740) | (4 297 302) |

Present value of minimum lease payments

| | |
|------------|------------|
| 18 852 716 | 21 059 588 |
|------------|------------|

Non-current liabilities

12 918 047

15 704 084

Current liabilities

5 934 669

5 355 504

18 852 716

21 059 588

It is municipal policy to lease certain motor vehicles under finance leases.

The average lease term was 3 - 5 years and the average effective borrowing rate was 7% - 10.70% (2016: 7% - 10.70%).

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

Lease number

Redeemable Balance at
30 June 2016

Received during the period

Redeemed written off during the period

Balance at 30 June 2017

| | | | | | |
|-----------------|-----------|-----------|---|---------|---------|
| 81265513 | 641 448 | 13 082 | - | 13 082 | - |
| SB19977492-0001 | 1 074 031 | 277 127 | - | 254 814 | 22 313 |
| SB19977492-0002 | 486 027 | 125 413 | - | 115 307 | 10 105 |
| SB19977492-0003 | 402 938 | 103 972 | - | 95 596 | 8 377 |
| 1SB9977492-0004 | 554 705 | 279 115 | - | 117 363 | 161 752 |
| SB19977492-0005 | 476 716 | 239 873 | - | 100 863 | 139 010 |
| SB19977492-0006 | 399 931 | 200 993 | - | 84 519 | 116 474 |
| SB19977492-0007 | 2 134 741 | 1 114 922 | - | 450 363 | 664 559 |
| SB19977492-0008 | 500 754 | 311 057 | - | 100 789 | 210 268 |
| SB19977492-0009 | 1 228 213 | 766 609 | - | 244 823 | 521 785 |
| SB19977492-0010 | 1 093 820 | 681 711 | - | 217 710 | 464 000 |
| SB19977492-0011 | 279 300 | 174 027 | - | 55 575 | 118 452 |
| SB19977492-0012 | 986 100 | 633 091 | - | 195 500 | 437 592 |
| SB19977492-0013 | 373 534 | 237 549 | - | 74 477 | 163 073 |
| SB19977492-0014 | 485 342 | 315 365 | - | 96 152 | 219 213 |
| SB19977492-0015 | 899 126 | 628 530 | - | 174 962 | 453 568 |
| SB19977492-0016 | 899 126 | 628 530 | - | 174 962 | 453 568 |
| SB19977492-0017 | 242 914 | 174 334 | - | 46 415 | 127 918 |
| SB19977492-0018 | 173 406 | 124 449 | - | 33 133 | 91 316 |
| SB19977492-0019 | 173 406 | 124 118 | - | 33 560 | 90 558 |
| SB19977492-0020 | 522 599 | 380 879 | - | 100 095 | 280 785 |
| SB19977492-0021 | 522 599 | 380 879 | - | 100 095 | 280 785 |
| SB19977492-0022 | 522 599 | 380 879 | - | 100 095 | 280 785 |
| SB19977492-0023 | 395 869 | 288 313 | - | 75 767 | 212 546 |
| SB19977492-0024 | 174 922 | 138 016 | - | 32 549 | 105 467 |
| SB19977492-0025 | 174 922 | 138 016 | - | 32 549 | 105 467 |
| SB19977492-0026 | 292 712 | 236 419 | - | 54 339 | 182 080 |
| SB19977492-0027 | 309 807 | 250 227 | - | 57 513 | 192 714 |
| SB19977492-0028 | 175 150 | 159 606 | - | 30 254 | 129 352 |
| SB19977492-0029 | 175 150 | 159 606 | - | 30 254 | 129 352 |
| SB19977492-0030 | 119 126 | 108 555 | - | 20 577 | 87 978 |
| SB19977492-0031 | 119 126 | 108 555 | - | 20 577 | 87 978 |
| SB19977492-0032 | 354 248 | 322 811 | - | 61 190 | 261 621 |

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| 14. Finance lease obligation (continued) | | | | |
| SB19977492-0033 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0034 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0035 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0036 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0037 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0038 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0039 | 354 248 | 322 811 | - | 61 190 |
| SB19977492-0040 | 119 126 | 108 467 | - | 20 560 |
| SB19977492-0041 | 147 609 | 134 401 | - | 25 476 |
| SB19977492-0042 | 147 609 | 134 401 | - | 25 476 |
| SB19977492-0043 | 183 669 | 167 234 | - | 31 700 |
| SB19977492-0045 | 274 890 | 250 291 | - | 47 444 |
| SB19977492-0046 | 244 995 | 222 891 | - | 42 250 |
| SB19977492-0047 | 119 126 | 108 378 | - | 20 544 |
| SB19977492-0048 | 147 609 | 134 291 | - | 25 455 |
| SB19977492-0049 | 197 157 | 179 077 | - | 33 945 |
| SB19977492-0050 | 1 088 505 | 988 686 | - | 187 409 |
| SB19977492-0051 | 192 679 | 175 437 | - | 33 255 |
| SB19977492-0052 | 1 062 326 | 981 318 | - | 181 757 |
| SB19977492-0053 | 959 323 | 882 250 | - | 161 099 |
| SB19977492-0054 | 261 645 | 247 910 | - | 43 885 |
| SB19977492-0055 | 261 645 | 247 910 | - | 43 885 |
| SB19977492-0056 | 387 771 | 374 618 | - | 64 860 |
| SB19977492-0057 | 747 210 | 725 880 | - | 122 959 |
| SB19977492-0058 | 1 297 354 | 1 284 279 | - | 212 903 |
| SB19977492-0059 | 1 258 248 | 1 245 564 | - | 206 486 |
| NED1727061-0001 | 681 336 | - | 681 336 | 21 963 |
| NED1727061-0002 | 260 719 | - | 260 719 | 8 404 |
| NED1727061-0003 | 260 719 | - | 260 719 | 8 404 |
| NED1727061-0004 | 2 050 723 | - | 2 050 723 | 66 104 |
| | 32 196 136 | 21 059 588 | 3 253 497 | 5 460 372 |
| | | | | 18 852 716 |

15. Consumer deposits

| | | |
|---|------------|------------|
| Consumer deposits - electricity and water | 15 315 894 | 13 859 907 |
|---|------------|------------|

16. Short term portion of long-term liability

ESKOM - payments

| | | |
|-----------------|-------------|------------------|
| Opening balance | 2 251 341 | 7 654 561 |
| Payments made | (2 251 341) | (5 403 220) |
| | - | 2 251 341 |

ESKOM - liability

| | | |
|---------------------------------|---|------------------|
| Short term portion of liability | - | 2 251 341 |
|---------------------------------|---|------------------|

During an audit conducted by the Energy Loss Programme staff of Eskom it was found that Midvaal municipality was not billed for one day on 1 August 2009 that lead to an under recovery of R137 923. An amount of R630 102 was under recovered due to metering changes that have not been excepted by the Eskom system for 36 days, Eskom utilised Midvaal municipality's current transformers for the period 1 March 2010 to 30 September 2010 to retrieve data for Eskom billing purposes.

An amount of R11 847 855 was under recovered based on the Energy Loss Programme audit findings for the period March to September 2010. An amount of R5 226 207 was under recovered due to phases that were swapped on the metering installation and phasing problems were experienced on meter panels 1 and 4 for the period May 2011 to July 2011. Council agreed to enter into an agreement with Eskom to pay off the principal debt of R17 842 087 over a period of 36 months. The account has been settled during the 2016/2017 financial year.

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|--|------|------|

17. Trade and other payables from exchange transactions

| | | |
|-------------------------------|-------------------|--------------------|
| Trade payables | 50 733 367 | 59 333 414 |
| Payments received in advanced | 28 055 126 | 29 822 473 |
| Accrued leave pay | 11 398 376 | 9 683 153 |
| Retentions | 5 661 543 | 4 066 437 |
| Other payables | 288 259 | 293 430 |
| Deposits received | 205 443 | 88 440 |
| | 96 342 114 | 103 287 347 |

The accrual for leave pay relates to vested leave pay to which employees may become entitled to upon leaving the employment of the municipality. The provision arises as employees render a service that increases their entitlement to future compensated leave. The provision is utilised when employees who are entitled to leave pay, leave the employ of the municipality or when the accrued leave due to an employee is utilised.

18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|--|---|--------|
| Department Agriculture and Rural Development Grant | - | 23 521 |
|--|---|--------|

Movement during the year

| | | |
|--------------------------------------|----------|---------------|
| Balance at the beginning of the year | 23 521 | 148 590 |
| Income recognition during the year | (23 521) | (125 069) |
| | - | 23 521 |

19. Provisions

Reconciliation of provisions - 2017

| | Opening Balance | Movements | Total |
|-------------------------|--------------------|-----------|------------|
| Landfill rehabilitation | 29 769 111 | 6 219 859 | 35 988 970 |

Reconciliation of provisions - 2016

| | Opening Balance | Movements | Total |
|-------------------------|--------------------|-----------|------------|
| Landfill rehabilitation | 24 790 797 | 4 978 314 | 29 769 111 |

| | | |
|-------------------------|-------------------|-------------------|
| Non-current liabilities | 35 988 970 | 29 769 111 |
| | 35 988 970 | 29 769 111 |

Environmental rehabilitation provision - Landfill

The landfill rehabilitation is created for the rehabilitation of the current operational sites which are evaluated at each year-end to reflect the best estimate at reporting date. The sites under consideration are the Henley-on-Klip, Vaal Marina and Walkerville landfill sites. The valuation for the landfill site was performed by Mr Seakle Godschalk Pr Sci Nat. from Environmental and Sustainability Solutions CC. Mr Godschalk is a registered professional environmental scientist with the South African Council for Natural Scientist Profession as well as the Southern African Institute of Ecologists and Environmental Scientists. Mr Godschalk is also a member of the Institute of Municipal Finance Officers.

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19. Provisions (continued)

Key financial assumptions used in this calculation were as follows:

| | | | |
|------------------------------|---------|---------|---------|
| CPI | 5,6372% | 5,6372% | 5,6372% |
| Discount rate | 8,6372% | 8,1372% | 8,1372% |
| Nett effective discount rate | 3% | 2,5% | 2,5% |

The 2017 amount of the discounted landfill closure provision of R35 988 970 represents an increase of R6 219 860 over the provision of R29 769 110 in the previous financial year. Composition of this change relate to changes in the CPI, discount rate and unit costs. The interest charge relating to the assessment amounts to R2 471 812.

The 2017 amount is a discounted amount based on the expected remaining life of the landfill site and based on the size of the area that had been used for waste disposal as at 30 June 2017. The size of the landfill sites used up until now and estimated remaining useful lives are as follows:

| | Henley-on-Klip landfill | Vaal Marina landfill | Walkerville landfill |
|--|-------------------------|----------------------|----------------------|
| Approximate size used until 30 June 2017 | 7,971 ha | 1,611 ha | 2,091 ha |
| Remaining useful lives | 3 years | 19 years | 10 years |

20. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

Midvaal municipality operates on 5 accredited medical aid schemes, namely Hosmed, Key Health, SAMWU Med, Bonitas and LA Health.

Midvaal provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, which the municipality is associated with, a member (subject to the applicable conditions of service) on retirement, is entitled to remain a continued member of such medical fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the municipality for the remaining portion.

Pension benefits

Council and employees contribute towards the under-mentioned pension funds whose operations are subject to the Pension Fund Act, 1956.

The municipality does not apply "defined benefit accounting" to defined benefit funds to which it is a member where these funds are classified in terms of GRAP 25 as multi-employer plans, as sufficient information is not available to apply the principles involved. Information necessary to apply "defined benefit accounting" was requested from the various funds, but information received from these funds was insufficient and in some instances no information could be obtained from these funds. This issue will be addressed in the future to ensure that these benefit plans could be accounted for as "defined benefit accounting". As a result, GRAP 25 is applied and such funds are accounted for as defined contribution funds.

The Council subscribes to the following pension funds:

- Municipal Gratuity Fund
- Joint Municipal Employees Pension Fund
- Germiston Municipal Retirement Fund
- Old Mutual Sala Pension Fund
- National Fund For Municipal Workers
- SAMWU National Provident Fund
- Councillors Pension Fund

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20. Employee benefit obligations (continued)

Germiston Municipal Retirement Fund (GMRF) is a defined contribution fund for active contributing members but a defined fund for certain pensioners under old rules taken up in the rules of the fund. During 2005 GMRF outsourced the full administration of the pensioners component which relates to old rules of a defined benefit fund. To the extent that a surplus or deficit is in place, based on available information, this may affect the amount of the future contributions once these are assessed. In the case of surpluses, no change is made in the rate contributions. In the case of deficits, the municipality will increase contributions on a phase in basis.

The amounts recognised in the statement of financial position are as follows:

Carrying value

| | | |
|--|---------------------|---------------------|
| Present value of the defined benefit obligation - post retirement medical aid plan | (6 301 603) | (6 846 134) |
| Present value of long service awards | (9 840 320) | (9 597 471) |
| | (16 141 923) | (16 443 605) |

Post retirement medical aid plan:

Key assumptions used:

| | | |
|----------------------------|--------|--------|
| Discount rates used | 9,30 % | 9,22 % |
| Consumer price inflation | 6,15 % | 6,85 % |
| Health care cost inflation | 7,65 % | 8,35 % |
| Net discount rate | 1,53 % | 0,80 % |

The discount rate was determined by using the Bond Exchange Zero Coupon Yield Curve and as at 30 June 2017 was 9.30% (2016: 9.22%) per annum.

It is fairly common to expect a pensioner's income to be lower than the income earned just prior to retirement. The difference between the income after retirement and the income just prior to retirement is referred to as the Net Replacement Ratio. The Net Replacement Ratio is used to reduce the expected salary on retirement. We have assumed a Net Replacement Ratio on retirement of 75%. A salary inflation assumption is used to adjust the salary from the current date to the date of retirement. This assumption should be considered in conjunction with the assumed CPI rate.

The valuation basis assumes that the health care cost inflation rate (which manifests itself as the annual increase to the total contribution subsidised by the employer) will be 0.80% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the health care cost inflation rate is as follows:

| | 1% decrease R's | Valuation basis R's | 1% increase R's |
|------------------------------|--------------------|------------------------|--------------------|
| Employer's accrued liability | 5 784 678 | 6 301 603 | 6 889 438 |
| Employer's service cost * | 121 948 | 134 962 | 149 934 |
| Employer's interest cost * | 517 986 | 565 962 | 620 534 |

Therefore, a 1% increase in the health care cost inflation assumption will result in a 9.32% increase in the accrued liability.

Similarly, a 1% decrease in the health care cost inflation assumption will result in a 8.20% decrease in the accrued liability.

* The total movement on the service and interest charges was used in the table.

The present value of the post retirement medical aid obligation for the current and previous four years is as follows:

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Post retirement medical aid | 6 301 603 | 6 846 134 | 5 782 398 | 4 528 000 | 3 614 000 |

We are not aware of any assets set aside for post-employment health care funding that qualify as plan assets.

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|-----------------|------|------|

20. Employee benefit obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

| | | |
|---|--------------------|--------------------|
| Opening balance | (6 846 134) | (5 781 398) |
| Benefits paid | 363 278 | 346 884 |
| Net income / (expense) recognised in the statement of financial performance | 181 253 | (1 411 620) |
| | (6 301 603) | (6 846 134) |

Net expense recognised in the statement of financial performance

| | | |
|--------------------------|----------------|--------------------|
| Current service cost | (118 461) | (71 501) |
| Interest cost | (614 153) | (473 154) |
| Actuarial (gains) losses | 913 867 | (866 965) |
| | 181 253 | (1 411 620) |

Long service awards:

We have applied the Projected Unit Credit Method to determine the liabilities. The projected liability is based on actuarial assumptions about the future. These assumptions are set to be realistic and individually justifiable. These variations emerge at each valuation as actuarial gains or losses.

Key assumptions used:

| | | |
|--------------------------|--------|--------|
| Discount rates used | 8,72 % | 9,77 % |
| Consumer price inflation | 6,01 % | 6,97 % |
| Salary increase rate | 7,01 % | 7,97 % |
| Net discount rate | 1,60 % | 0,74 % |

The discount rate was determined by using the Bond Exchange Zero Coupon Yield Curve and as at 30 June 2017 is 8.72% (2016: 9.77%) per annum.

The valuation bases assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the bonuses payable) will be 1.60% (2016: 0.74%) less than the corresponding discount rate, in the long term.

The effect of a one percent increase and decrease in the salary inflation rates is as follows:

| | 1% decrease R's | Valuation basis R's | 1% increase R's |
|----------------------------|--------------------|------------------------|--------------------|
| Employer's | 9 201 577 | 9 840 320 | 10 547 837 |
| Employer's expense cost * | 885 435 | 958 291 | 1 040 080 |
| Employer's interest cost * | 757 549 | 813 049 | 874 547 |

The above table illustrates that for the 30 June 2017 financial year, a 1% increase in the salary cost inflation assumption will result in roughly a 7.19% increase in the accrued liability. Similarly, a 1% decrease in the salary inflation assumption will result in roughly a 6.49% decrease in the accrued liability.

* The total movement on the service and interest charges was used in the table.

The present value of the long service awards for the current and previous four years is as follows:

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Long service awards | 9 840 320 | 9 597 471 | 7 891 632 | 7 361 000 | 5 241 000 |

We are not aware of any assets set aside for long service awards funding that qualify as plan assets.

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20. Employee benefit obligations (continued)

Changes in the present value of the long service awards are as follows:

| | | |
|---|------------------|------------------|
| Opening balance | 9 597 471 | 7 891 632 |
| Benefits paid | (881 744) | (792 732) |
| Net income / (expense) recognised in the statement of financial performance | 1 124 593 | 2 498 571 |
| | 9 840 320 | 9 597 471 |
| Net expense recognised in the statement of financial performance | | |
| Current service cost | 980 631 | 948 377 |
| Interest cost | 803 034 | 591 614 |
| Actuarial (gains) losses | (659 072) | 958 580 |
| | 1 124 593 | 2 498 571 |

The net expense relating to employee benefit obligations recognised in the statement of financial performance is included within employee remuneration.

21. Service charges

| | | |
|---------------------------------|--------------------|--------------------|
| Sale of electricity | 311 209 523 | 273 891 151 |
| Sale of water | 163 423 175 | 142 408 109 |
| Sewerage and sanitation charges | 34 292 058 | 34 494 321 |
| Refuse removal | 30 666 975 | 29 869 365 |
| | 539 591 731 | 480 662 946 |

22. Other income

| | | |
|--|-------------------|-------------------|
| Reconnection fees | 5 889 501 | 5 964 068 |
| New connection fees | 4 951 928 | 3 563 422 |
| SETA refunds | 4 218 129 | 310 743 |
| Building plans | 1 828 292 | 2 304 117 |
| Planning fees and permits | 1 291 006 | 581 889 |
| Rehabilitation fees (landfill site) | 1 122 727 | 1 860 915 |
| Sundry income | 949 292 | 4 765 497 |
| Insurance claims | 885 707 | 716 216 |
| Cemetery income | 630 483 | 656 456 |
| Service charges | 455 473 | 634 829 |
| Clearance / valuation certificates | 381 031 | 759 547 |
| SCM tender fees | 333 715 | 178 060 |
| Entrance fees | 141 445 | 172 446 |
| Final readings | 127 415 | 145 313 |
| Access to information / copies / faxes | 80 808 | 103 059 |
| Traffic escorts | 76 939 | 119 646 |
| Telephone income | 66 884 | 122 730 |
| Advertising | 95 971 | 117 537 |
| Cleaning of stands | 60 829 | - |
| Impounding of vehicles | 18 923 | 6 240 |
| Building plan copies | 18 132 | 16 654 |
| Stock adjustment | 13 890 | 17 825 |
| Surplus cash | 13 558 | 6 850 |
| Meter test fees | 5 221 | 5 346 |
| Lost and damage library material | 1 308 | 2 013 |
| Membership fees | 1 206 | 1 759 |
| Lost tokens | 684 | 395 |
| Dishonoured cheques | 480 | 5 572 |
| Recovered legal cost | - | 25 421 |
| | 23 660 977 | 23 164 565 |

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23. Investment revenue

Interest received - investments

| | | |
|------|------------|-----------|
| Bank | 10 376 673 | 7 611 156 |
|------|------------|-----------|

24. Property rates

Rates received

| | | |
|----------------------|--------------------|--------------------|
| Residential | 173 934 534 | 149 298 050 |
| Agricultural | 74 398 306 | 19 487 311 |
| Commercial | 44 399 796 | 40 521 545 |
| State | 7 829 051 | 8 546 768 |
| Municipal | 2 374 190 | 1 875 790 |
| Less: income forgone | (138 161 089) | (73 353 241) |
| | 164 774 788 | 146 376 223 |

Valuations - figures are displayed in R'000

| | | |
|--------------|-------------------|-------------------|
| Residential | 14 342 128 | 12 854 844 |
| Agricultural | 5 596 870 | 6 956 584 |
| Commercial | 2 969 739 | 2 493 166 |
| Other | 380 693 | 540 907 |
| Municipal | 349 010 | 343 459 |
| State | 298 395 | 127 526 |
| | 23 936 835 | 23 316 486 |

A valuation roll is compiled in terms of the Municipal Property Rates Act, Act 6 of 2004 which is used as basis to levy property rates. The last general valuation roll came into effect on 1 July 2011. The MEC of COGTA gave approval for extension of the validity of the valuation roll until 30 June 2018.

Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of 0.015406 - (2016: 0.014399) is applied to property valuations to determine assessment rates. Rebates are granted to various property owners amounting to R138 161 089 (2016: R73 353 241)

Rates are levied on a monthly basis and interest is levied after due date.

25. Government grants and subsidies

Operating grants

| | | |
|--|-------------------|-------------------|
| Equitable Share | 70 863 000 | 63 385 000 |
| Specific Contribution towards Councillors (Equitable Share) | 5 538 000 | 4 906 000 |
| Department Sport, Arts, Culture and Recreation Grant | 5 041 699 | 4 340 000 |
| Provincial Health Subsidies | 4 101 287 | 4 196 235 |
| Environmental Subsidy Grant | 2 458 390 | 2 392 611 |
| Financial Management Grant | 1 475 000 | 1 450 000 |
| Municipal Infrastructure Grant | 1 300 000 | 1 250 000 |
| Expanded Public Works Programme Grant | 1 279 000 | 1 327 000 |
| Municipal System Improvement Grant | - | 930 000 |
| | 92 056 376 | 84 176 846 |

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25. Government grants and subsidies (continued)

Capital grants

| | | |
|--|--------------------|--------------------|
| Municipal Infrastructure Grant | 29 039 000 | 29 563 000 |
| Integrated National Electrification Programme | 9 000 000 | 4 000 000 |
| Department Sport, Arts, Culture and Recreation Grant | 3 758 301 | 1 928 478 |
| Regional Bulk Infrastructure Grant | - | 2 742 012 |
| Sedibeng Capital Grant | - | 345 302 |
| Department Agriculture and Rural Development Grant | - | 125 069 |
| | 41 797 301 | 38 703 861 |
| | 133 853 677 | 122 880 707 |

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy, which is funded from the grant.

| | | |
|---|--------------|--------------|
| Current-year receipts | 76 401 000 | 68 291 000 |
| Conditions met - transferred to revenue | (76 401 000) | (68 291 000) |
| | - | - |

Financial Management Grant

| | | |
|---|-------------|-------------|
| Current-year receipts | 1 475 000 | 1 450 000 |
| Conditions met - transferred to revenue | (1 475 000) | (1 450 000) |
| | - | - |

Municipal System Improvement Grant

| | | |
|---|---|-----------|
| Current-year receipts | - | 930 000 |
| Conditions met - transferred to revenue | - | (930 000) |
| | - | - |

Municipal Infrastructure Grant

| | | |
|---|--------------|--------------|
| Current-year receipts | 30 339 000 | 30 813 000 |
| Conditions met - transferred to revenue | (30 339 000) | (30 813 000) |
| | - | - |

Department Sport, Arts, Culture and Recreation Grant

| | | |
|---|-------------|-------------|
| Current-year receipts | 8 800 000 | 6 268 477 |
| Conditions met - transferred to revenue | (8 800 000) | (6 268 477) |
| | - | - |

Expanded Public Works Programme Grant

| | | |
|---|-------------|-------------|
| Current-year receipts | 1 279 000 | 1 327 000 |
| Conditions met - transferred to revenue | (1 279 000) | (1 327 000) |
| | - | - |

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25. Government grants and subsidies (continued)

Provincial Health Subsidy

| | | |
|---|-------------|-------------|
| Current-year receipts | 4 101 287 | 4 196 235 |
| Conditions met - transferred to revenue | (4 101 287) | (4 196 235) |

- -

Environmental Subsidy Grant

| | | |
|---|-------------|-------------|
| Current-year receipts | 2 458 390 | 2 392 611 |
| Conditions met - transferred to revenue | (2 458 390) | (2 392 611) |

- -

Regional Bulk Infrastructure Grant

| | | |
|---|---|-------------|
| Current-year receipts | - | 2 742 012 |
| Conditions met - transferred to revenue | - | (2 742 012) |

- -

Department Agriculture and Rural Development Grant

| | | |
|---|---|-----------|
| Balance unspent at beginning of year | - | 148 590 |
| Conditions met - transferred to revenue | - | (125 069) |

- 23 521

Integrated National Electrification Programme

| | | |
|---|-------------|-------------|
| Current-year receipts | 9 000 000 | 4 000 000 |
| Conditions met - transferred to revenue | (9 000 000) | (4 000 000) |

- -

Sedibeng Capital Grant

| | | |
|---|---|-----------|
| Current-year receipts | - | 345 302 |
| Conditions met - transferred to revenue | - | (345 302) |

- -

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

26. Fines, penalties and forfeits

| | | |
|----------------------------------|-------------------|-------------------|
| Traffic fines | 48 161 698 | 46 628 010 |
| Bad debt written off - recovered | 847 260 | 1 775 830 |
| Library penalties | 19 663 | 20 270 |
| | 49 028 621 | 48 424 110 |

The Traffic fine revenue of R48 161 698 (2016: R46 628 010) was raised of which R35 230 379 (2016: R35 000 000) was impaired.

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27. Developers contribution

| | | |
|--------------------------|-----------|------------|
| Developers contributions | 9 638 844 | 11 157 552 |
|--------------------------|-----------|------------|

Developers contributions are payable in terms of the Council's policy and applicable legislation to finance the upgrading of bulk infrastructure.

28. Revenue

| | | |
|--------------------------------------|--------------------|--------------------|
| Service charges | 539 591 731 | 480 662 946 |
| Property rates | 164 774 788 | 146 376 223 |
| Government grants & subsidies | 133 853 677 | 122 880 707 |
| Fines, penalties and forfeits | 49 028 621 | 48 424 110 |
| Other income | 23 660 977 | 23 164 565 |
| Public contributions and donations | 12 901 624 | 6 109 043 |
| Interest received - investment | 10 376 673 | 7 611 156 |
| Developers contribution | 9 638 844 | 11 157 552 |
| Interest received - consumer debtors | 8 312 153 | 11 253 663 |
| Rental of facilities and equipment | 610 113 | 1 359 303 |
| Gain on disposal of assets | 144 905 | 372 206 |
| | 952 894 106 | 859 371 474 |

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|--------------------------------------|--------------------|--------------------|
| Service charges | 539 591 731 | 480 662 946 |
| Other income | 23 660 977 | 23 164 565 |
| Interest received - investment | 10 376 673 | 7 611 156 |
| Interest received - consumer debtors | 8 312 153 | 11 253 663 |
| Rental of facilities and equipment | 610 113 | 1 359 303 |
| Gain on disposal of assets | 144 905 | 372 206 |
| | 582 696 552 | 524 423 839 |

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

| | | |
|----------------|-------------|-------------|
| Property rates | 164 774 788 | 146 376 223 |
|----------------|-------------|-------------|

Transfer revenue

| | | |
|------------------------------------|--------------------|--------------------|
| Government grants & subsidies | 133 853 677 | 122 880 707 |
| Fines, penalties and forfeits | 49 028 621 | 48 424 110 |
| Public contributions and donations | 12 901 624 | 6 109 043 |
| Developers contribution | 9 638 844 | 11 157 552 |
| | 370 197 554 | 334 947 635 |

29. Cost of sales

| | | |
|-------------|--------------------|--------------------|
| Electricity | 203 544 955 | 184 892 777 |
| Water | 58 109 927 | 54 127 244 |
| | 261 654 882 | 239 020 021 |

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30. Employee related costs

| | | |
|--|--------------------|--------------------|
| Basic | 125 873 283 | 123 311 210 |
| Pension | 24 764 064 | 23 375 778 |
| Medical aid - company contributions | 10 959 276 | 10 050 204 |
| Overtime payments | 10 288 168 | 9 178 439 |
| Leave bonus | 9 685 658 | 8 906 029 |
| Travel, motor car, accommodation, subsistence and other allowances | 8 035 502 | 7 820 559 |
| Standby / acting allowance | 3 115 435 | 3 196 666 |
| Skills development levy | 1 691 833 | 1 604 045 |
| Housing benefits and allowances | 1 311 733 | 1 400 922 |
| Cell phone allowance | 1 283 132 | 1 259 804 |
| Redemption of leave | 1 201 718 | 1 045 847 |
| UIF | 1 070 580 | 1 011 730 |
| Post retirement medical | 363 577 | 302 955 |
| Group insurance | 185 785 | 192 018 |
| Other payroll levies | 61 953 | 55 921 |
| | 199 891 697 | 192 712 127 |

Remuneration of municipal manager - A.S.A. De Klerk

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 397 792 | 1 305 031 |
| Car allowance | 144 000 | 168 000 |
| Contributions to UIF, medical and mension funds | 234 117 | 202 501 |
| Other | 245 820 | 141 215 |
| | 2 021 729 | 1 816 747 |

Remuneration of chief finance officer - A.L. Van Schalkwyk

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 086 295 | 1 019 683 |
| Car allowance | 144 000 | 144 000 |
| Contributions to UIF, medical and pension funds | 236 745 | 220 465 |
| Other | 25 200 | 25 229 |
| | 1 492 240 | 1 409 377 |

Remuneration of the ED Community Services - S.M. Mosidi

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 012 840 | 947 563 |
| Car allowance | 216 000 | 216 000 |
| Contributions to UIF, medical and pension funds | 238 199 | 220 584 |
| Other | 24 600 | 25 935 |
| | 1 491 639 | 1 410 082 |

Remuneration of the ED Engineering Services - S. Coetzee

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 082 215 | 1 015 163 |
| Car allowance | 156 000 | 156 000 |
| Contributions to UIF, medical and pension funds | 228 825 | 212 985 |
| Other | 33 178 | 24 170 |
| | 1 500 218 | 1 408 318 |

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|-----------------|------|------|

30. Employee related costs (continued)

Remuneration of the Deputy Municipal Manager - T.W. Peeters

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 646 071 | 1 562 241 |
| Car allowance | 60 000 | 60 000 |
| Contributions to UIF, medical and pension funds | 1 785 | 1 785 |
| Other | 24 600 | 26 641 |
| | 1 732 456 | 1 650 667 |

Remuneration of the ED Protection Services - E. Lensley

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 179 266 | 1 114 786 |
| Car allowance | 30 000 | 30 000 |
| Contributions to UIF, medical and pension funds | 257 771 | 239 361 |
| Other | 24 000 | 25 229 |
| | 1 491 037 | 1 409 376 |

Remuneration of the ED Development Planning and Housing - H. Human

| | | |
|---|------------------|------------------|
| Annual remuneration | 1 171 735 | 1 090 163 |
| Car allowance | 180 000 | 180 000 |
| Contributions to UIF, medical and pension funds | 115 305 | 113 985 |
| Other | 24 600 | 24 170 |
| | 1 491 640 | 1 408 318 |

| | | |
|---|------------|------------|
| Total remuneration - executive managers | 11 220 959 | 10 512 885 |
|---|------------|------------|

Total employee cost

| | | |
|------------------------------------|--------------------|--------------------|
| Remunerations - municipal staff | 199 891 697 | 192 712 127 |
| Remunerations - executive managers | 11 220 959 | 10 512 885 |
| | 211 112 656 | 203 225 012 |

31. Depreciation and amortisation

| | | |
|-------------------------------|--------------------|--------------------|
| Property, plant and equipment | 116 368 459 | 112 649 288 |
| Intangible assets | 117 175 | 109 173 |
| | 116 485 634 | 112 758 461 |

32. Debt impairment

| | | |
|---|-------------------|-------------------|
| Contribution to debt impairment - traffic fines | 35 230 379 | 35 000 000 |
| Contributions to debt impairment - consumer debtors | 55 711 131 | 48 124 493 |
| | 90 941 510 | 83 124 493 |

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| 33. General expenses | | |
| Fleet | 7 387 820 | 6 586 169 |
| Rental | 7 111 035 | 8 717 687 |
| Legal expenses | 6 295 044 | 3 039 933 |
| Insurance | 4 110 220 | 3 305 829 |
| Auditors remuneration | 3 236 928 | 2 270 369 |
| Delivery expenses | 3 147 647 | 2 668 293 |
| Consumables | 3 132 924 | 3 010 466 |
| Other expenses | 2 434 201 | 2 695 894 |
| Subscriptions and membership fees | 2 186 360 | 2 218 968 |
| Community development and training | 1 903 093 | 1 769 141 |
| Advertising | 1 843 920 | 1 322 210 |
| Printing and stationery | 1 679 927 | 1 214 151 |
| Protective clothing | 1 586 136 | 1 730 780 |
| Bank charges | 1 590 212 | 1 442 699 |
| Travel - local | 1 254 048 | 1 162 215 |
| Training | 858 620 | 937 513 |
| Entertainment | 753 692 | 576 571 |
| Telephone and fax | 720 867 | 1 113 910 |
| Secretarial fees | 691 217 | 580 420 |
| Valuation roll | 647 772 | 711 694 |
| Postage and courier | 494 225 | 491 576 |
| Motor vehicle expenses | 417 976 | 384 844 |
| Computer expenses | 400 335 | 389 976 |
| Magazines, books and periodicals | 197 020 | 388 696 |
| Donations | 165 650 | 237 983 |
| Services to informal settlements | 169 285 | - |
| Non-capital assets expensed | 84 507 | 996 026 |
| Transport and freight | 16 560 | 11 628 |
| Marketing | 9 208 | 7 920 |
| Medical expenses | 1 384 | - |
| Long service recognition awards | - | 26 023 |
| Bursaries and student practical work | - | 3 523 |
| | 54 527 833 | 50 013 107 |
| 34. Contracted services | | |
| Specialist services | 49 709 913 | 45 834 078 |
| Other contractors | 3 312 713 | 3 110 592 |
| | 53 022 626 | 48 944 670 |
| 35. Electrical distribution losses | | |
| Electrical distribution losses - technical | 15 031 054 | 10 811 478 |
| Electrical distribution losses - non technical | 12 232 966 | 14 409 441 |
| | 27 264 020 | 25 220 919 |
| 36. Water Non Revenue | | |
| Water non revenue - technical | 12 440 874 | 11 360 563 |
| Water non revenue - non technical | 13 783 565 | 13 336 313 |
| | 26 224 439 | 24 696 876 |
| 37. Finance costs | | |
| Non-current borrowings | 16 324 030 | 17 380 243 |
| Unwinding of discount - landfill site provision | 2 471 812 | 1 507 272 |
| | 18 795 842 | 18 887 515 |

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38. Remuneration of Councillors

| | | |
|---------------------------------------|------------|-----------|
| Total remuneration cost - Councillors | 10 627 671 | 9 548 510 |
|---------------------------------------|------------|-----------|

Remuneration of the Mayor:

| | | |
|-----------|----------------|----------------|
| Allowance | 590 296 | 568 509 |
| Travel | 196 765 | 189 503 |
| Telephone | 28 800 | 20 868 |
| | 815 861 | 778 880 |

Remuneration of the MMC's:

| | | |
|-----------|------------------|------------------|
| Allowance | 2 213 610 | 2 131 913 |
| Travel | 737 870 | 710 638 |
| Telephone | 114 000 | 104 340 |
| | 3 065 480 | 2 946 891 |

Remuneration of the Speaker:

| | | |
|-----------|----------------|----------------|
| Allowance | 472 235 | 454 808 |
| Travel | 157 412 | 151 603 |
| Telephone | 28 800 | 20 868 |
| | 658 447 | 627 279 |

Remuneration of the Section 79 Committee Members:

| | | |
|-----------|----------------|----------------|
| Allowance | 474 948 | 403 173 |
| Travel | 158 316 | 134 391 |
| Telephone | 45 600 | 38 258 |
| | 678 864 | 575 822 |

Remuneration of the Councillors:

| | | |
|-----------|------------------|------------------|
| Allowance | 3 640 299 | 3 200 940 |
| Travel | 1 233 625 | 969 965 |
| Telephone | 535 095 | 448 733 |
| | 5 409 019 | 4 619 638 |

In-kind benefits

2017

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties. The Mayor has four full-time bodyguards.

2016

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties. The Mayor has four full-time bodyguards.

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in Section 219 of the Constitution.

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39. Cost of free basic services

Cost of free basic services - water and electricity

| | | |
|--------------------------------|------------------|------------------|
| Cost of free basic water | 9 286 352 | 8 133 720 |
| Cost of free basic electricity | 418 178 | 190 733 |
| | 9 704 530 | 8 324 453 |

The cost to the municipality in providing free basic water and electricity to alleviate poverty in disadvantaged communities.

40. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

| | At amortised cost | Total |
|---------------------------|--------------------|--------------------|
| Consumer debtors | 112 627 910 | 112 627 910 |
| Cash and cash equivalents | 130 090 874 | 130 090 874 |
| Other receivables | 19 193 853 | 19 193 853 |
| | 261 912 637 | 261 912 637 |

Financial liabilities

| | At amortised cost | Total |
|--|--------------------|--------------------|
| External loans / long term liabilities | 140 868 809 | 140 868 809 |
| Payables from exchange transactions | 96 342 115 | 96 342 115 |
| Finance lease obligation | 18 852 716 | 18 852 716 |
| Consumer deposits | 15 315 894 | 15 315 894 |
| | 271 379 534 | 271 379 534 |

2016

Financial assets

| | At amortised cost | Total |
|---------------------------|--------------------|--------------------|
| Consumer debtors | 102 863 646 | 102 863 646 |
| Cash and cash equivalents | 99 999 502 | 99 999 502 |
| Other receivables | 19 568 586 | 19 568 586 |
| | 222 431 734 | 222 431 734 |

Financial liabilities

| | At amortised cost | Total |
|--|--------------------|--------------------|
| External loans / long term liabilities | 147 936 131 | 147 936 131 |
| Payables from exchange transactions | 103 287 347 | 103 287 347 |
| Finance lease obligation | 21 059 588 | 21 059 588 |
| Consumer deposits | 13 859 907 | 13 859 907 |
| | 286 142 973 | 286 142 973 |

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40. Financial instruments disclosure (continued)

Financial instruments in statement of financial performance

2017

| | At amortised cost | Total |
|---|---------------------|---------------------|
| Interest income (calculated using effective interest method) for financial instruments at amortised cost | 18 688 826 | 18 688 826 |
| Interest expense (calculated using effective interest method) for financial instruments at amortised cost | (16 324 030) | (16 324 030) |
| Debt impairment loss | (90 941 510) | (90 941 510) |
| | (88 576 714) | (88 576 714) |

2016

| | At amortised cost | Total |
|---|---------------------|---------------------|
| Interest income (calculated using effective interest method) for financial instruments at amortised cost | 18 864 819 | 18 864 819 |
| Interest expense (calculated using effective interest method) for financial instruments at amortised cost | (17 380 243) | (17 380 243) |
| Debt impairment loss | (83 124 493) | (83 124 493) |
| | (81 639 917) | (81 639 917) |

41. Auditors' remuneration

| | | |
|------|-----------|-----------|
| Fees | 3 236 928 | 2 270 369 |
|------|-----------|-----------|

42. Commitments

Authorised capital expenditure

Approved and contracted

| | | |
|---------------------------------|------------|------------|
| • Property, plant and equipment | 44 984 396 | 15 928 963 |
|---------------------------------|------------|------------|

Total capital commitments

| | | |
|---|------------|------------|
| Already contracted for but not provided for | 44 984 396 | 15 928 963 |
|---|------------|------------|

Authorised operational expenditure

Approved and contracted

| | | |
|---------------|------------|------------|
| • Expenditure | 29 401 647 | 22 581 618 |
|---------------|------------|------------|

Total operational commitments

| | | |
|-------------------------|------------|------------|
| Approved and contracted | 29 401 647 | 22 581 618 |
|-------------------------|------------|------------|

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, Provincial and National grant funding and developer contributions.

The municipality approved the implementation of the 2017/18 carry over adjustment budget as allowed by section 28 of the Municipal Finance Management Act as well as section 23 of the Municipal Budget and Reporting regulations (projects from the 2016/2017 financial year to be carried over to the 2017/2018 financial year) during August 2017.

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42. Commitments (continued)

Section 28(2)(e) of the MFMA states the following: "An adjustments budget may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council".

Section 23(5) of the Regulations as published in volume 526 of the Government Gazette No 32141 dated 17 April 2009, states the following: "An adjustment budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate."

43. Contingencies

On 20 May 2011 the State President issued a proclamation establishing the SIU to investigate certain allegations in respect of the Midvaal local municipality. The report on the outcome of the investigation has not yet been issued. However, in the mean time the SIU has issued accounts to be paid for the work it is set to have done. Council resolved under item C 1137/06/2014 that National or Provincial Treasury be approached for the exemption of the payment of the fees in terms of Section 5(1a) of the Special Investigation Units and Special Tribunals Act (74 of 1996) - R985 576.25.

National Treasury has been approached to request that the amount be written off on 9 June 2017. No response has been received to date.

The municipality received an invoice of R43 550 153 from Department of Water and Sanitation for water extraction. The municipality never extracted the invoiced water and the amount is currently in dispute. DWS is busy with an investigation into the matter with a view of withdrawing the invoice should they find no water extraction point.

Contingent liabilities arising from third party claims and litigation

| Name | Case no | Economic entity | Controlling entity | |
|----------------------|---------------|--|--------------------|-----------|
| | | | 2017 | 2016 |
| * Mr Delpont | 0813-12014 | Accident manhole | 200 000 | 200 000 |
| * Mrs Jordaan | 0813-12114 | House built on wrong property | 2 000 000 | 2 000 000 |
| * Mrs du Toit | 28803/2016 | Stolen electrical cable | 4 500 000 | 4 500 000 |
| | 0813-12238 | resulting in house burnt down | | |
| * Mr G Visagie | 0313-11864 | Construction related | 5 000 000 | 5 000 000 |
| * Mr NG Damane | | Stolen electrical cable | - | 10 000 |
| * Mrs Q van Wyk | 0114-12239 | Stolen electrical cable | - | 10 000 |
| * Meyerton Golf Club | 513-51479002 | Signs removed | 225 000 | 225 000 |
| * Mr Nel | 315-51485117 | Hit pothole | - | 12 882 |
| * Meyerton Golf Club | 0815-51498420 | Roof collapse | 30 000 | 30 000 |
| * Mr T Vilkaazi | 1215-12604 | Tree fell on property | 12 000 | 12 000 |
| * Mr H Loots | 0116-12621 | Tree fell on property | - | 25 000 |
| * Telkom | 0116-12622 | Telkom cable damaged by council tractor | 50 000 | 50 000 |
| * Portion 55 | 0116-12637 | Removal of waste dump on farm | 72 000 | 72 000 |
| * Kubali | 0216-12679 | Council tractor damaging wall | 10 000 | 10 000 |
| * M Ganda | 0616-12936 | Hit the soil heap | 152 458 | - |
| * Mr PE Lloyd | 0315-12740 | Tree fell on property | 10 000 | 10 000 |
| * City to City | 1016-13124 | Traffic officer damaged bus | 10 000 | - |
| * CF Oberholzer | 116204 | Vehicle crashed due to high trees next to road | 33 600 | - |
| * R Swart | 0416-12812 | Sewer overflowed | 10 000 | - |
| * Mr K Suritie | 0416-12812 | T/P Property damage | 10 000 | 10 000 |
| Telkom SA Ltd | 21445/2011 | Damages claim | 187 785 | 187 785 |
| MA Ramaoke | 38281/2010 | Claim for damages | 642 389 | 643 389 |
| GW Bezuidenhout | 930/2017 | Summons - potholes | 3 000 | - |

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|--------------------------------------|----------|---|-------------------|-------------------|
| 43. Contingencies (continued) | | | | |
| SL Jacobs | 22470/06 | Injury on duty | 109 692 | 109 692 |
| RR Mashego | 175/2015 | Rescission of judgement - erf 26 Witkop | 70 000 | 70 000 |
| Department of Environmental Affairs | MM9391 | Fine in terms of NEMA | - | 300 000 |
| | | | 13 337 924 | 13 618 146 |

* Midvaal municipality potentially has no financial exposure to R12 325 058 (2016 - R12 217 280) of the above contingent liabilities, as a claim was submitted in terms of the municipality's insurance portfolio.

44. Related parties

Relationships

Close family member of key management

Management remuneration - refer to employee related costs and remuneration of councillors notes

Joint venture of key management

None

Associate of close family member of key management

As per schedule

Members of key management

Refer to note on employee related cost for information

| | Associate members of in the service of State | Contract value |
|---|--|------------------|
| Company | | |
| Price Waterhouse Coopers - Combined Systems | LS Machaba, TSB Jali & F Khan | - 5 666 |
| Price Waterhouse Coopers | LS Machaba, TSB Jali & F Khan | - 581 794 |
| Vuvuzela Hotline Pty Ltd | W Bouwer | - 51 564 |
| | | - 639 024 |

Price Waterhouse Coopers was used during 2016/2017 but as per the CSD information they had no associate members in the service of the State.

45. Prior period errors

No prior period errors have been identified for the 2015/2016 financial year.

46. Comparative figures

Note 30 - Summary of employee related costs have been reclassified within employee related costs in 2016. The change has no effect on the financial performance.

47. Risk management

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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47. Risk management (continued)

| 2017 | Less than 1 year | Between 2 - 5 years | More than 5 years |
|---|---------------------|------------------------|----------------------|
| Trade and other payables from exchange transactions | 96 342 115 | - | - |
| External loans | 16 228 511 | 80 209 873 | 44 430 424 |
| Consumer deposits | 15 315 894 | - | - |
| Finance lease obligations | 5 934 669 | 12 918 047 | - |

| 2016 | Less than 1 year | Between 2 - 5 years | More than 5 years |
|---|---------------------|------------------------|----------------------|
| Trade and other payables from exchange transactions | 103 287 347 | - | - |
| External loans | 16 640 653 | 97 690 031 | 31 354 106 |
| Consumer deposits | 13 859 907 | - | - |
| Finance lease obligations | 5 355 504 | 15 704 084 | - |

Interest rate risk

As the municipality has no significant income from interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates. Loans are taken at fixed interest rates to minimise interest rate risk.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the municipality.

48. Going concern

The ability of the municipality to continue as a going concern is based on liquidity factors in the absence of any other factors that pose a threat to the municipality's going concern.

At 30 June 2017, the following liquidity ratio's were measured in terms of MFMA Circular 71 and it was concluded that there are no indicators that threaten the going concern principle:

- Current ratio 2.08 (2016:1.70)
- Cost coverage 2.19 months (2016: 1.77 months)

49. Events after the reporting date

2017

None

50. Unauthorised expenditure

2017

Midvaal municipality did not incur any unauthorised expenditure in the 2016/2017 financial year.

2016

Midvaal municipality did not incur any unauthorised expenditure in the 2015/2016 financial year.

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51. In-kind donations and assistance

2017

The Municipality received the following in-kind donations and assistance:

National Treasury has provided support to the municipality under the MFIPII programme by deploying an advisor to the municipality from 12 January 2015.

2016

The Municipality received the following in-kind donations and assistance:

National Treasury has provided support to the municipality under the MFIPII programme by deploying an advisor to the municipality from 12 January 2015.

52. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

| | | |
|---------------------------------|-------------|-------------|
| Current year subscription / fee | 2 293 612 | 2 213 187 |
| Amount paid - current year | (2 293 612) | (2 213 187) |
| | - | - |

Audit fees

| | | |
|----------------------------|-----------|-----------|
| Amount paid - current year | 3 236 928 | 2 270 369 |
|----------------------------|-----------|-----------|

PAYE and UIF

| | | |
|----------------------------|------------|------------|
| Amount paid - current year | 29 353 159 | 27 457 579 |
|----------------------------|------------|------------|

Pension and medical aid deductions

| | | |
|--------------------------------------|------------|------------|
| Amount paid - current year - pension | 36 371 474 | 34 373 463 |
| Amount paid - current year - medical | 19 405 965 | 17 621 863 |
| | 55 777 439 | 51 995 326 |

VAT

| | | |
|----------------|-----------|-----------|
| VAT receivable | 7 952 807 | 8 791 112 |
|----------------|-----------|-----------|

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

2017

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:

| 30 June 2017 | Outstanding less than 90 days | Outstanding more than 90 days | Total |
|------------------------|-------------------------------------|-------------------------------------|--------|
| J Mabaso | 416 | 1 236 | 1 652 |
| SD Nyaku (Arrangement) | - | 63 193 | 63 193 |
| | 416 | 64 429 | 64 845 |

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52. Additional disclosure in terms of Municipal Finance Management Act (continued)

2016

Councillor TC Sikhosana has an outstanding amount of R10 876 for more than 90 days. Arrangements have been made to pay off the arrears. Councillor TC Sikhosana has been appointed as a councillor as from 26 November 2015. During the year no Councillors' had arrear accounts outstanding for more than 90 days.

53. Utilisation of long-term liabilities reconciliation

| | | |
|---|------------------|------------------|
| Long-term liabilities raised | 159 721 514 | 166 744 379 |
| Used to finance property, plant and equipment | (153 051 471) | (159 256 896) |
| | 6 670 043 | 7 487 483 |

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

54. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the annual financial statements.

The majority of items mentioned had to be addressed in short notice and the response times did not allow for the complete procurement process to be followed. The balance of items were due to emergency circumstances or uneconomic benefits for the municipality.

| Class | 2017 | 2016 |
|---|-------------------|-------------------|
| Emergency | 6 557 273 | 3 228 677 |
| Sole suppliers | 4 131 986 | 8 351 293 |
| Impractical or impossible to follow the process | 50 711 278 | 17 351 205 |
| Special work of art | 629 864 | 4 500 |
| | 62 030 401 | 28 935 675 |

55. Budget differences

Material differences between budget and actual amounts

The total expenditure for the year was less than the approved expenditure budget. Refer to the statement of comparison of budget and actual amounts for additional information.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

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56. Unaccounted water and electricity

| Electricity | | Technical loss / Non technical loss 2016/2017 | | |
|--------------------|-----------------|---|----------------------|----------------|
| | | Units | Amounts | Percentage |
| Technical loss | | 16 478 581 | 15 031 054 | 6,50 % |
| Non technical loss | | 13 411 030 | 12 232 966 | 5,29 % |
| | | 29 889 611 | 27 264 020 | 11,79 % |
| | | Technical loss / Non technical loss 2015/2016 | | |
| | | Units | Amounts | Percentage |
| Technical loss | | 12 201 194 | 10 811 478 | 5,01 % |
| Non technical loss | | 16 261 642 | 14 409 441 | 6,65 % |
| | | 28 462 836 | 25 220 919 | 11,66 % |
| Year | Units purchased | Units sold | Loss in distribution | Percentage |
| 2016/2017 | | | | |
| Units | 253 494 894 | 223 605 283 | 29 889 611 | 11,79 % |
| Amount | 231 227 153 | 203 963 133 | 29 889 611 | |
| 2015/2016 | | | | |
| Units | 244 023 874 | 215 561 038 | 28 462 836 | 11,66 % |
| Amount | 216 229 555 | 191 008 636 | 25 220 919 | |

The unit sold amount is calculated according to the unit purchased amount.

| Water | | Technical loss / Non technical loss 2016/2017 | | |
|--------------------|-----------------|---|----------------------|----------------|
| | | Units | Amounts | Percentage |
| Technical loss | | 1 646 232 | 12 440 873 | 13,29 % |
| Non technical loss | | 1 823 903 | 13 783 565 | 14,72 % |
| | | 3 470 135 | 26 224 438 | 28,01 % |
| | | Technical loss / Non technical loss 2015/2016 | | |
| | | Units | Amounts | Percentage |
| Technical loss | | 1 716 097 | 11 360 563 | 13,16 % |
| Non technical loss | | 2 014 549 | 13 336 313 | 15,45 % |
| | | 3 730 646 | 24 696 876 | 28,61 % |
| Year | Units purchased | Units sold | Loss in distribution | Percentage |
| 2016/2017 | | | | |
| Units | 12 388 313 | 8 918 178 | 3 470 135 | 28,01 % |
| Amount | 93 620 718 | 67 396 279 | 26 224 439 | |
| 2015/2016 | | | | |
| Units | 13 038 026 | 9 307 380 | 3 730 646 | 28,61 % |
| Amount | 86 311 731 | 61 614 856 | 24 696 876 | |

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57. Cash generated from operations

| | | |
|--|--------------------|--------------------|
| Surplus (deficit) | 21 510 907 | (16 629 613) |
| Adjustments for: | | |
| Depreciation and amortisation | 116 485 634 | 112 758 461 |
| Loss / (gain) on disposal of assets | 29 069 | 284 596 |
| Debt impairment | 90 941 510 | 83 124 493 |
| Movements in retirement benefit assets and liabilities | (4 049 729) | 2 770 575 |
| Movements in provisions | 6 219 859 | 4 978 314 |
| Other non-cash items | (10 225 510) | (2 055 244) |
| Changes in working capital: | | |
| Inventories | 81 065 | (688 962) |
| Other receivables from exchange transactions | 1 935 361 | (2 277 176) |
| Consumer debtors | (100 705 775) | (77 614 319) |
| Other receivables from non-exchange transactions | (1 560 628) | (8 214 654) |
| Trade and other payables from exchange transactions | (9 196 574) | 19 508 776 |
| VAT | 838 305 | (2 011 382) |
| Unspent conditional grants and receipts | (23 521) | (125 069) |
| Consumer deposits | 1 455 997 | 2 213 291 |
| | 113 735 970 | 116 022 087 |

58. Change in estimate

Property, plant and equipment

2017

No changes were made to the useful lives of assets

2016

No changes were made to the useful lives of assets.

Summary of change in estimate: PPE

2017

No changes were made to the useful lives of assets.

2016

No changes were made to the useful lives of assets.

59. Fruitless and wasteful expenditure

2017

No fruitless and wasteful expenditure was recorded in the 2016/2017 financial year.

2016

No fruitless and wasteful expenditure was recorded in the 2015/2016 financial year.

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60. Irregular expenditure

2017

No irregular expenditure was recorded in the 2016/2017 financial year.

2016

No irregular expenditure was recorded in the 2015/2016 financial year.

61. Other information

2017

The municipality registered a Public Private Partnership with National Treasury in terms of Sec 120 of the MFMA for the assessment of the unsolicited bid for the management and maintenance of electricity operations. As at 30 June 2017, the municipality had adopted the Status Quo report as required by section 78(1) of the Municipal Systems Act on 25 May 2017 per item C 1626/05/2017. The transactional advisor is currently busy with the feasibility study.

2016

The municipality registered a Public Private Partnership with National Treasury in terms of Sec 120 of the MFMA for the assessment of the unsolicited bid for the management and maintenance of electricity operations. As at 30 June 2016 the municipality had appointed a project manager and a transactional advisor who commenced with the feasibility study.

MIDVAAL LOCAL MUNICIPALITY
Appendix A - UNAUDITED
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

| Name of Grants | Name of organ of state or municipal entity | Quarterly Receipts | | | | Quarterly Expenditure | | | |
|----------------------|--|--------------------|------------|------------|-----------|-----------------------|------------|-----------|------------|
| | | Jun | Sep | Dec | Mar | Jun | Sep | Dec | Mar |
| MIG | National Government | 9 125 000 | 7 139 000 | 14 075 000 | - | 1 195 507 | 11 192 258 | 1 928 745 | 16 022 490 |
| INEP | National Government | 6 000 000 | 1 500 000 | 1 500 000 | - | 3 239 196 | 861 105 | - | 4 899 699 |
| FMG | National Government | 1 475 000 | - | - | - | 307 073 | 479 568 | 572 212 | 116 147 |
| MSIG | National Government | - | - | - | - | - | - | - | - |
| EPWP | National Government | 320 000 | 575 000 | 384 000 | - | 197 127 | 697 873 | 384 000 | - |
| DSCAR | Provincial Government | 5 000 000 | 2 800 000 | 1 000 000 | - | 1 185 960 | 1 112 873 | 1 289 859 | 5 211 308 |
| Provincial Health | | - | - | - | - | - | - | - | - |
| Environmental Health | Provincial Government Sedibeng District Municipality | - | 607 441 | 1 348 168 | 654 195 | 1 033 815 | 1 093 538 | 482 451 | - |
| | | 153 557 | 234 914 | - | 1 618 453 | 565 722 | 624 554 | 632 672 | 183 976 |
| | | 22 073 557 | 12 856 355 | 18 307 168 | 2 272 648 | 7 724 400 | 16 061 769 | 5 289 939 | 26 433 620 |

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.